

Kentucky West Virginia Gas Company: Third Revised Volume No. 1
Title Page : Superseded

FERC GAS TARIFF

Third Revised Volume No. 1
(Superseding Second Revised Volume No. 1)

of

KENTUCKY WEST VIRGINIA GAS COMPANY

Filed with the

FEDERAL ENERGY REGULATORY COMMISSION

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Table of Contents

Second Revised Sheet No. 1	8
Original Sheet No. 2	9
Original Sheet No. 3	10
Original Sheet No. 3A	11
Original Sheet No. 3B	12
Original Sheet No. 3C	13
Fifth Revised Sheet No. 4	14
Fifth Revised Sheet No. 5	15
First Revised Sheet No. 6	16
First Revised Sheet No. 7	17
Sheet Nos. 8-19	18
Original Sheet No. 9	19
Original Sheet No. 10	20
Original Sheet No. 11	21
Original Sheet No. 12	22
Original Sheet No. 13	23
Original Sheet No. 14	24
Original Sheet No. 15	25
Original Sheet No. 15A	26
Original Sheet No. 15B	27
Original Sheet No. 16	28
Original Sheet No. 16A	29
Original Sheet No. 16B	30
Original Sheet No. 16C	31
Original Sheet No. 17	32
Original Sheet No. 18	33
Original Sheet No. 19	34
Original Sheet No. 20	35
Original Sheet No. 21	36
Original Sheet No. 21A	37
Original Sheet No. 22	38
Original Sheet No. 23	39
Original Sheet No. 24	40
Original Sheet No. 25	41
First Revised Sheet No. 26	42
First Revised Sheet No. 27	43
Original Sheet No. 28	44
Original Sheet No. 29	45
Original Sheet No. 30	46
First Revised Sheet No. 31	47
Original Sheet No. 32	48
Original Sheet No. 33	49
Original Sheet No. 33A	50
Original Sheet No. 34	51
First Revised Sheet No. 35	52

Original Sheet No. 35A	53
Original Sheet No. 36	54
Original Sheet No. 37	55
Original Sheet No. 38	56
Original Sheet No. 38A	57
Original Sheet No. 38B	58
Original Sheet No. 38C	59
Original Sheet No. 38D	60
Original Sheet No. 38E	61
Original Sheet No. 38F	62
Original Sheet No. 38G	63
Original Sheet No. 38H	64
Original Sheet No. 39	65
Original Sheet No. 40	66
Original Sheet No. 41	67
Original Sheet No. 42	68
Original Sheet No. 42A	69
Original Sheet No. 43	70
Original Sheet No. 43A	71
Original Sheet No. 44	72
Original Sheet No. 45	73
Original Sheet No. 46	74
Original Sheet No. 47	75
Original Sheet No. 47A	76
Original Sheet No. 48	77
Original Sheet No. 49	78
Original Sheet No. 50	79
Original Sheet No. 51	80
Original Sheet No. 52	81
Original Sheet No. 53	82
Original Sheet No. 54	83
Original Sheet No. 54A	84
Original Sheet No. 55	85
Original Sheet No. 56	86
Original Sheet No. 57	87
Original Sheet No. 58	88
Original Sheet No. 59	89
Original Sheet No. 60	90
Original Sheet No. 60A	91
Original Sheet No. 61	92
Original Sheet No. 61A	93
Original Sheet No. 61B	94
Original Sheet No. 61C	95
Original Sheet No. 61D	96
Original Sheet No. 62	97
Original Sheet No. 63	98

Original Sheet No. 64	99
Original Sheet No. 65	100
Original Sheet No. 65A	101
Original Sheet No. 65B	102
Original Sheet No. 65C	103
Original Sheet No. 65D	104
Original Sheet No. 66	105
Original Sheet No. 67	106
Original Sheet No. 68	107
Original Sheet No. 68A	108
Original Sheet No. 69	109
Original Sheet No. 70	110
Original Sheet No. 71	111
Original Sheet No. 72	112
Original Sheet No. 73	113
Original Sheet No. 74	114
Original Sheet No. 75	115
Original Sheet No. 76	116
Original Sheet No. 77	117
Original Sheet No. 78	118
Original Sheet No. 78A	119
Original Sheet No. 78B	120
Original Sheet No. 78C	121
Original Sheet No. 78D	122
Original Sheet No. 78E	123
Original Sheet No. 78F	124
Original Sheet No. 78G	125
Original Sheet No. 79	126
Original Sheet No. 80	127
Original Sheet No. 81	128
Original Sheet No. 82	129
Original Sheet No. 83	130
Original Sheet No. 83A	131
Original Sheet No. 84	132
Original Sheet No. 85	133
Original Sheet No. 86	134
Original Sheet No. 87	135
Original Sheet No. 88	136
Original Sheet No. 89	137
Original Sheet No. 90	138
Original Sheet No. 91	139
Original Sheet No. 92	140
Second Revised Sheet No. 100	141
First Revised Sheet No. 101	142
First Revised Sheet No. 102	143
Original Sheet No. 102A	144

Original Sheet No. 103	145
Original Sheet No. 104	146
Original Sheet No. 105	147
Original Sheet No. 106	148
First Revised Sheet No. 107	149
First Revised Sheet No. 108	150
First Revised Sheet No. 109	151
First Revised Sheet No. 110	152
First Revised Sheet No. 111	153
First Revised Sheet No. 112	154
First Revised Sheet No. 113	155
Original Sheet No. 114	156
Original Sheet No. 115	157
First Revised Sheet No. 116	158
Original Sheet No. 117	159
First Revised Sheet No. 118	160
Third Revised Sheet No. 119	161
Substitute Third Revised Sheet No. 120	162
Second Revised Sheet No. 120A	163
Second Revised Sheet No. 120B	164
Third Revised Sheet No. 121	165
Second Revised Sheet No. 122	166
Second Revised Sheet No. 123	167
Second Revised Sheet No. 124	168
Original Sheet No. 124A	169
Original Sheet No. 125	170
Original Sheet No. 126	171
Original Sheet No. 127	172
Original Sheet No. 128	173
Original Sheet No. 129	174
Original Sheet No. 130	175
Original Sheet No. 131	176
Original Sheet No. 132	177
Original Sheet No. 133	178
First Revised Sheet No. 134	179
First Revised Sheet No. 135	180
First Revised Sheet No. 136	181
Second Revised Sheet No. 137	182
Original Sheet No. 138	183
Original Sheet No. 139	184
First Revised Sheet No. 140	185
Second Revised Sheet No. 141	186
First Revised Sheet No. 142	187
First Revised Sheet No. 143	188
First Revised Sheet No. 144	189
First Revised Sheet No. 145	190

First Revised Sheet No. 146	191
Original Sheet No. 146A	192
First Revised Sheet No. 147	193
First Revised Sheet No. 148	194
Original Sheet No. 148A	195
Original Sheet No. 148B	196
First Revised Sheet No. 149	197
First Revised Sheet No. 150	198
First Revised Sheet No. 151	199
Original Sheet Nos. 152-159	200
First Revised Sheet No. 160	201
First Revised Sheet No. 161	202
First Revised Sheet No. 161A	203
Third Revised Sheet No. 162	204
Substitute First Revised Sheet No. 162A	205
Original Sheet No. 162B	206
Sixth Revised Sheet No. 163	207
Second Revised Sheet No. 164	208
Second Revised Sheet No. 165	209
First Revised Sheet No. 166	210
First Revised Sheet No. 167	211
Original Sheet No. 168	212
First Revised Sheet No. 169	213
First Revised Sheet No. 170	214
Second Revised Sheet No. 171	215
Third Revised Sheet No. 172	216
Fourth Revised Sheet No. 173	217
Second Revised Sheet No. 174	218
Sheet Nos. 175-202	219
Original Sheet Nos. 203-209	220
Original Sheet No. 210	221
First Revised Sheet No. 211	222
Original Sheet No. 212	223
Original Sheet No. 213	224
Original Sheet Nos. 214-219	225
Original Sheet No. 220	226
First Revised Sheet No. 221	227
Original Sheet No. 222	228
Original Sheet No. 223	229
Original Sheet Nos. 224-229	230
Original Sheet No. 230	231
First Revised Sheet No. 231	232
Original Sheet No. 232	233
Original Sheet Nos. 233-259	234
Original Sheet No. 260	235
Original Sheet No. 261	236

Original Sheet No. 262	237
Original Sheet Nos. 263-269	238
Original Sheet No. 270	239
Original Sheet No. 271	240
Original Sheet No. 272	241
Original Sheet Nos. 273-279	242
Original Sheet No. 280	243
Original Sheet Nos. 281-299	244
Original Sheet No. 300	245
Original Sheet No. 301	246
Original Sheet No. 302	247
Original Sheet No. 303	248
Original Sheet No. 304	249
Original Sheet No. 305	250
Original Sheet No. 306	251
Original Sheet No. 307	252
Original Sheet Nos. 308-319	253
Fourth Revised Sheet No. 320	254
First Revised Sheet No. 321	255

Effective Date: 11/30/1999 Status: Effective

FERC Docket: CP99-321-002

Second Revised Sheet No. 1 Second Revised Sheet No. 1 : Effective
Superseding: Title Page & Sheet Nos. 1 Through 321

CANCELLATION OF ENTIRE TARIFF

Notice is hereby given that effective November 30, 1999 FERC Gas Tariff of Kentucky West Virginia Gas Company is to be canceled.

Effective Date: 07/01/1993 Status: Effective

FERC Docket: RS92- 18-004

Original Sheet No. 2 Original Sheet No. 2 : Superseded

PRELIMINARY STATEMENT

Kentucky West Virginia Gas Company is a natural gas pipeline company engaged in the gathering, transportation and sale of natural gas. All of its facilities are located in eastern Kentucky.

Effective Date: 07/01/1993 Status: Effective

FERC Docket: RS92- 18-004

Original Sheet No. 3 Original Sheet No. 3 : Superseded

See hard copy for Kentucky West Virginia system map.

Effective Date: 07/01/1993 Status: Effective
FERC Docket: RS92- 18-002

Original Sheet No. 3A Original Sheet No. 3A : Superseded

RATE SCHEDULE SSS
(Small System Sales)
General Service

1. AVAILABILITY

This Rate Schedule is available for one year from the effective date of this tariff sheet for the purchase at the wellhead from Kentucky West Virginia Gas Company (hereinafter called "Pipeline") of natural gas by any distributing or pipeline customer (hereinafter called "Customer"):

- (a) Who previously purchased its gas supply under a one-part volumetric rate;
- (b) Whose Maximum Daily Quantity does not exceed 13,422 dth;
- (c) Which has executed a Service Agreement in the form contained in the FERC Gas Tariff of which this Rate Schedule is a part; and
- (d) Which contracted during the restructuring period for such purchases.

2. APPLICABILITY AND CHARACTER OF SERVICE

This Rate Schedule shall apply to all gas sold to Customer hereunder to be delivered on a firm or interruptible basis. Pipeline will have no obligation under this Rate Schedule to transport gas for purchaser. However, transportation for Customer, up to the Maximum Daily Quantity, shall be made under any of Pipeline's Rate Schedules.

3. RATE

The rate for all natural gas sold under this Rate Schedule each month shall be the Inside Ferc Gas Market Report's Appalachian Index spot price for gas delivered into Columbia Gas Transmission Corporation in Kentucky for the month of sale plus any applicable GRI charge and applicable ACA charge.

4. UNIT OF MEASUREMENT

See Section 4 of the General Terms and Conditions.

Effective Date: 07/01/1993 Status: Effective

FERC Docket: RS92- 18-002

Original Sheet No. 3B Original Sheet No. 3B : Superseded

RATE SCHEDULE SSS (Continued)
(Small System Sales)
General Service

5. GAS RESEARCH INSTITUTE FUNDING CHARGE ADJUSTMENT

The rates in this Rate Schedule for all sales to Customers which are not interstate pipeline customers and which do not include in their rates a charge for Research, Development, and Demonstration by Gas Research Institute shall include a GRI funding charge as provided for in Section 28 of the General Terms and Conditions.

6. FERC ANNUAL FUNDING CHARGE ADJUSTMENT

The rates in this Rate Schedule for all sales to Customers shall include an increment for an ACA funding charge as set out in Section 29 of the General Terms and Conditions.

7. GENERAL TERMS AND CONDITIONS

All of the General Terms and Conditions set forth in this Tariff are applicable to this Rate Schedule and are hereby made a part hereof, including the Penalty provisions in Section 35.

Effective Date: 07/01/1993 Status: Effective

FERC Docket: RS92- 18-002

Original Sheet No. 3C Original Sheet No. 3C : Superseded

RATE SCHEDULE SSS (Continued)
(Small System Sales)
General Service

8. RECOVERY OF NATURAL GAS POLICY ACT PRICES

This Rate Schedule is subject to Section 34 of the General Terms and Conditions and to the provisions of Volume 3 of Kentucky West's FERC Gas Tariff, which sets forth the settlement agreements with the former Rate Schedule GSS-1 customers identified therein arising out of Public Service Comm'n of New York v. FERC, 463 U.S. 319 (1983) and Kentucky West Virginia Gas Co. v. FERC, 780 F.2d 1231 (5th Cir. 1986).

Effective Date: 01/01/1999 Status: Effective
 FERC Docket: TM99-1-46-000

Fifth Revised Sheet No. 4 Fifth Revised Sheet No. 4 : Superseded
 Superseding: 2nd Sub Fourth Revised Sheet No. 4
 CURRENTLY EFFECTIVE RATES

The following rates for transportation and sales services under the indicated Rate Schedules and for gathering service, if applicable, shall apply and may be adjusted from time to time. Pipeline may, in its sole discretion, agree to discount gathering or transportation rates between the maximum rate and the minimum rate. Any amounts related to surcharges to recover costs identified in Section 31 are in addition to the rates contained in this section:

Transportation Services			
	Base Tariff Rates (Per Dth)	FERC ACA (Per Dth)	Total Rates (Per Dth)
1. RATE SCHEDULE - FTS Firm Transportation			
(a) Maximum Rate			
Reservation Charge	\$6.7597	-	\$6.7597
Commodity Charge	\$.0341	\$.0022	\$.0363
Capacity Release			
Volumetric Charge	\$.2563	\$.0022	\$.2585
(b) Minimum Rate			
Commodity Charge	\$.0341	\$.0022	\$.0363
2. RATE SCHEDULE - ITS Interruptible Transportation			
(a) Maximum Rate			
Commodity Charge	\$.2563	\$.0022	\$.2585
(b) Minimum Rate			
Commodity Charge	\$.0341	\$.0022	\$.0363
3. RATE SCHEDULE - VTS Volumetric Transportation			
(a) Maximum Rate			
Commodity Charge	\$.2828	\$.0022	\$.2850
(b) Minimum Rate			
Commodity Charge	\$.0341	\$.0022	\$.0363

GRI Surcharge to applicable customers, pursuant to Section 28 of the General Terms and Conditions.

Reservation - High load factor customers	\$0.2300/Dth/Month
- Low load factor customers	\$0.1420/Dth/Month
Commodity	\$0.0075/Dth
VTS Customers	\$0.0180/Dth

Effective Date: 01/01/1999 Status: Effective
 FERC Docket: TM99-1-46-000

Fifth Revised Sheet No. 5 Fifth Revised Sheet No. 5 : Superseded
 Superseding: 2nd Sub Fourth Revised Sheet No. 5

CURRENTLY EFFECTIVE RATES
 Gathering Service

If gathering services are provided under Rate Schedules FTS, ITS or VTS, the following charges will be assessed:

	Base Tariff Rates (Per Dth)	FERC ACA (Per Dth)	Total Rates (Per Dth)
FTS Gathering:			
(a) Maximum Rate			
Reservation Charge	\$11.4347	-	\$11.4347
Commodity Charge	\$.0013	\$.0022	\$.0035
Capacity Release			
Volumetric Charge	\$.3772	\$.0022	\$.3794
(b) Minimum Rate			
Commodity Charge	\$.0013	\$.0022	\$.0035
ITS Gathering:			
(a) Maximum Rate			
Commodity Charge	\$.3772	\$.0022	\$.3794
(b) Minimum Rate			
Commodity Charge	\$.0013	\$.0022	\$.0035
VTS Gathering:			
(a) Maximum Rate			
Commodity Charge	\$.4221	\$.0022	\$.4243
(b) Minimum Rate			
Commodity Charge	\$.0013	\$.0022	\$.0035

GRI Surcharge to applicable customers, pursuant to Section 28 of the General Terms and Conditions.

Reservation - High load factor customers	\$0.2300/Dth/Month
- Low load factor customers	\$0.1420/Dth/Month
Commodity	\$0.0075/Dth
VTS customers	\$0.0180/Dth

Customers with both gathering and transportation services will be billed the ACA and GRI charge on only one service.

Note: In addition to the transportation and gathering charges stated above, the following levels of retainage must be added:

gathering only:	3.40%
transportation only:	6.22%
combined gathering and transportation:	6.39%

Effective Date: 08/01/1996 Status: Effective

FERC Docket: RP96-288-000

First Revised Sheet No. 6 First Revised Sheet No. 6 : Superseded

Superseding: Original Sheet No. 6

CURRENTLY EFFECTIVE RATES

Sales Service

Base
Tariff Rates
(Per Dth)

- | | |
|---|-------------------|
| 1. Rate Schedule - SSS (Small System Sales) | See Rate Schedule |
| 2. Rate Schedule - MDS (Marketing Division Sales) | See Rate Schedule |

Effective Date: 08/01/1996 Status: Effective
 FERC Docket: RP96-288-000

First Revised Sheet No. 7 First Revised Sheet No. 7 : Superseded
 Superseding: Original Sheet No. 7

Account 191 Direct Refund
 Pursuant to Section 31.2(a) of the General Terms and Conditions

Customer	191 Refund Amount	Amount To Be Retained Pursuant To Mid-La Settlement Agreement	Net Amount To Be Refunded
Equitrans, Inc.	\$154,019.95	\$0.00	\$154,019.95
Columbia Gas Transmission Corp.	0.00	0.00	0.00
Paintsville Gas & Water Co.	0.00	0.00	0.00
East Kentucky Utilities, Inc.	5,554.01	5,554.01	0.00
Johnson County Gas Co., Inc.	510.06	510.06	0.00
Mike Little Gas Company, Inc.	0.00	0.00	0.00
Mountain Utilities, Inc.	1,926.90	1,926.90	0.00
Prestonsburg City's Utility Commission	0.00	0.00	0.00
Equitable Gas Company	26,749.95	26,749.95	0.00
City of Hazard	0.00	0.00	0.00
City Of Wheelwright Utilities Comm.	151.13	151.13	0.00
Total Refund	\$188,912.00	\$34,892.05	\$154,019.95

Effective Date: 08/01/1996 Status: Effective

FERC Docket: RP96-288-000

Sheet Nos. 8-19 Sheet Nos. 8-19 : Superseded

SHEET NOS. 8 THROUGH 19
HAVE BEEN "RESERVED FOR FUTURE USE".

Effective Date: 07/01/1993 Status: Effective

FERC Docket: RS92- 18-002

Original Sheet No. 9 Original Sheet No. 9 : Superseded

RATE SCHEDULE FTS (Continued)
Firm Transportation Service

7. GRI CHARGE AND FERC ANNUAL FUNDING CHARGE ADJUSTMENT

The rates in this rate schedule for all services rendered to Customer shall include increments for a GRI charge and an ACA funding charge as set out in Sections 28 and 29, respectively, of the General Terms and Conditions.

8. GENERAL TERMS AND CONDITIONS

The General Terms and Conditions of Pipeline's FERC Gas Tariff, Third Revised Volume No. 1, as such may be superseded or revised from time to time, are applicable to this rate schedule and made a part hereof.

Effective Date: 07/01/1993 Status: Effective

FERC Docket: RS92- 18-002

Original Sheet No. 10 Original Sheet No. 10 : Superseded

RATE SCHEDULE IGS
Interruptible Gathering Service

1. AVAILABILITY

- (a) This open access rate schedule is available for the gathering by Kentucky West Virginia Gas Company (hereinafter called "Pipeline") of natural gas on an interruptible basis on behalf of any Shipper (hereinafter called "Customer") where Customer has an executed service agreement in the form provided in this Tariff with Pipeline providing for such service. Service under this Rate Schedule shall be provided subject to the provisions of Subparts B or G of Part 284 of the Commission's regulations.
- (b) The following reasonable limitations shall apply to the availability of service under this rate schedule:
 - (1) Pipeline shall not be required to agree to provide any requested gathering service for which capacity is not available or that would require the construction or acquisition of any new facilities; and
 - (2) Pipeline shall agree to provide requested gathering service hereunder on a "first-come, first served" basis, as among requests for interruptible service.

2. APPLICABILITY AND CHARACTER OF SERVICE

Gathering service hereunder shall consist of the acceptance by Pipeline of natural gas tendered by or on behalf of Customer for gathering at the Receipt Point(s) specified in the executed Service Agreement, the gathering of that natural gas through Pipeline's system, and the delivery of that gas, after retainage at the level provided for in Section 27 of this Tariff, by Pipeline to Customer for Customer's account, to Pipeline's transmission system, or the system of a third-party, at the Delivery Point(s) in the executed Service Agreement.

3. RATE

Customer shall pay Pipeline for service rendered hereunder during each monthly billing period an amount equal to the volume of gas gathered by Pipeline for Customer during the billing period multiplied by the Total Commodity Charge specified in Section 27 of this Tariff for this rate schedule, plus applicable GRI charge and ACA funding charge as set out on Sheets No. 56 and 57, respectively, of this Tariff.

Effective Date: 07/01/1993 Status: Effective

FERC Docket: RS92- 18-002

Original Sheet No. 11 Original Sheet No. 11 : Superseded

RATE SCHEDULE IGS (Continued)
Interruptible Gathering Service

4. REIMBURSEMENT OF REGULATORY EXPENSES

Customer shall reimburse Pipeline for all regulatory filing fees incurred by Pipeline to provide service under Customer's executed service agreement, as it may be amended, revised or superseded from time to time.

5. MINIMUM BILL

None.

6. RECEIPTS AND DELIVERIES

- (a) Customer will make deliveries of gas to Pipeline for gathering hereunder at mutually agreeable points of receipt on Pipeline's system, as described in the executed service agreement. Prior to the initial receipt of such gas, Customer shall reimburse Pipeline the cost of any facilities that Pipeline may have agreed to install to receive, meter, gather or deliver Customer's gas.
- (b) All gas tendered by Customer for gathering hereunder shall conform to the quality provisions of the General Terms and Conditions of Pipeline's FERC Gas Tariff.

7. GRI CHARGE AND FERC ANNUAL FUNDING CHARGE ADJUSTMENT

The rates in this rate schedule for all services rendered to Customer shall include increments for a GRI charge and an ACA funding charge as set out in Sections 28 and 29, respectively, of the General Terms and Conditions.

8. GENERAL TERMS AND CONDITIONS

The General Terms and Conditions of Pipeline's FERC Gas Tariff, Third Revised Volume No. 1, as such may be superseded or revised from time to time, are applicable to this rate schedule and made a part hereof.

Original Sheet No. 12 Original Sheet No. 12 : Superseded

RATE SCHEDULE ITS
Interruptible Transportation Service

1. AVAILABILITY

- (a) This open access rate schedule is available for the transportation by Kentucky West Virginia Gas Company (hereinafter called "Pipeline") of natural gas on an interruptible basis on behalf of any Shipper (hereinafter called "Customer") where Customer has an executed service agreement in the form provided in this Tariff with Pipeline providing for such service. Service under this Rate Schedule shall be provided subject to the provisions of Subparts B or G of Part 284 of the Commission's regulations.
- (b) The following reasonable limitations shall apply to the availability of service under this rate schedule:
 - (1) Pipeline shall not be required to agree to provide any requested transportation service for which capacity is not available or that would require the construction or acquisition of any new facilities; and
 - (2) Pipeline shall agree to provide requested transportation service hereunder on a "first-come, first-served" basis, as among requests for interruptible service.

2. APPLICABILITY AND CHARACTER OF SERVICE

Transportation service hereunder shall consist of the acceptance by Pipeline of natural gas tendered by or on behalf of Customer for transportation at the Receipt Point(s) specified in the executed Service Agreement, the transportation of that natural gas through Pipeline's system, and the delivery of that gas, after retainage at the level provided for in Section 27 of this Tariff, by Pipeline to Customer for Customer's account, or to the system of a third-party, at the Delivery Point(s) in the executed Service Agreement.

3. RATE

Customer shall pay Pipeline for service rendered hereunder during each monthly billing period an amount equal to the volume of gas transported by Pipeline for Customer during the billing period multiplied by the Total Commodity Charge specified in Section 27 of this Tariff for this rate schedule, plus applicable GRI charge and ACA funding charge as set out on Sheet Nos. 56 and 57, respectively, of this Tariff.

Effective Date: 07/01/1993 Status: Effective
FERC Docket: RS92- 18-002

Original Sheet No. 13 Original Sheet No. 13 : Superseded

RATE SCHEDULE ITS (Continued)
Interruptible Transportation Service

4. REIMBURSEMENT OF REGULATORY EXPENSES

Customer shall reimburse Pipeline for all regulatory filing fees incurred by Pipeline to provide service under Customer's executed service agreement, as it may be amended, revised or superseded from time to time.

5. MINIMUM BILL

None

6. RECEIPTS AND DELIVERIES

(a) Customer will make deliveries of gas to Pipeline for transportation hereunder at mutually agreeable points of receipt on Pipeline's system, as described in the executed service agreement. Prior to the initial receipt of such gas, Customer shall reimburse Pipeline the cost of any facilities that Pipeline may have agreed to install to receive, meter, transport or deliver Customer's gas.

(b) All gas tendered by Customer for transportation hereunder shall conform to the quality provisions of the General Terms and Conditions of Pipeline's FERC Gas Tariff.

7. GRI CHARGE AND FERC ANNUAL FUNDING CHARGE ADJUSTMENT

The rates in this rate schedule for all services rendered to Customer shall include increments for a GRI charge and an ACA funding charge as set out in Sections 28 and 29, respectively, of the General Terms and Conditions.

8. GENERAL TERMS AND CONDITIONS

The General Terms and Conditions of Pipeline's FERC Gas Tariff, Third Revised Volume No. 1, as such may be superseded or revised from time to time, are applicable to this rate schedule and made a part hereof.

Effective Date: 07/01/1993 Status: Effective

FERC Docket: RS92- 18-002

Original Sheet No. 14 Original Sheet No. 14 : Superseded

RATE SCHEDULE VGS
Volumetric Gathering Service

1. AVAILABILITY

This rate schedule is automatically available for the volumetric gathering by Kentucky West Virginia Gas Company (hereinafter called "Pipeline") of natural gas on a firm basis by any customer (hereinafter called "Customer"):

- (a) Who was entitled on April 8, 1992 to receive sales service under Rate Schedule GSS-1;
- (b) Whose Maximum Daily Quantity does not exceed 13,422 dth; and
- (c) Which has executed prior to the effective date of this Tariff a Service Agreement in the form contained in the Pipeline's FERC Gas Tariff of which this Rate Schedule is a part.

2. APPLICABILITY AND CHARACTER OF SERVICE

Service provided under this rate schedule shall be performed under Subparts B or G of Part 284 of the Commission's Regulations. This rate schedule shall apply to all gas received and delivered to Customer hereunder on a firm basis under a one-part volumetric rate design.

Deliveries to Customer hereunder, up to the Maximum Daily Quantity, shall be considered firm gas and shall not be subject to curtailment or interruptions except as provided in the General Terms and Conditions of this Tariff. Gathering service hereunder shall consist of the acceptance by Pipeline of natural gas tendered by or on behalf of Customer for gathering at the Receipt Point(s) specified in the executed Service Agreement, the firm gathering of that natural gas through Pipeline's system, and the firm delivery of that gas, after retainage at the level provided for in Section 27 of this Tariff, by Pipeline to Customer for Customer's account, to Pipeline's transmission system or to the system of a third-party, at the Delivery Point(s) in the executed Service Agreement.

3. RATE

The rate for all natural gas delivered under this Rate Schedule each month shall be the Total Effective Rate set out in Section 27 of this Tariff plus any applicable GRI charge as set out on Sheet No. 56 of this Tariff and applicable ACA charge as set out on Sheet No. 57 of this Tariff.

4. REIMBURSEMENT OF REGULATORY EXPENSES

Customer shall reimburse Pipeline for all regulatory filing fees incurred by Pipeline to provide service under Customer's executed service agreement, as it may be amended, revised or superseded from time to time.

Effective Date: 07/01/1993 Status: Effective

FERC Docket: RS92- 18-002

Original Sheet No. 15 Original Sheet No. 15 : Superseded

RATE SCHEDULE VGS (Continued)
Volumetric Gathering Service

5. MINIMUM BILL

None.

6. RECEIPTS AND DELIVERIES

(a) Customer will make deliveries of gas to Pipeline for volumetric firm gathering hereunder at mutually agreeable points of receipt on Pipeline's system, as described in the executed service agreement. Prior to the initial receipt of such gas, Customer shall reimburse Pipeline the cost of any facilities that Pipeline may have agreed to install to receive, meter, gather or deliver Customer's gas.

(b) All gas tendered by Customer for gathering hereunder shall conform to the quality provisions of the General Terms and Conditions of Pipeline's FERC Gas Tariff.

7. GRI CHARGE AND FERC ANNUAL FUNDING CHARGE ADJUSTMENT

The rates in this rate schedule for all service rendered to Customers shall include increments for a GRI charge and an ACA funding charge as set out in Sections 28 and 29, respectively, of the General Terms and Conditions.

8. GENERAL TERMS AND CONDITIONS

The General Terms and Conditions of Pipeline's FERC Gas Tariff, Third Revised Volume No. 1, as such may be superseded or revised from time to time, are applicable to this rate schedule and made a part thereof.

9. CONVERSION RIGHT

Any Customer under this rate schedule shall have a one-time, irrevocable right to convert all or part of its service entitlements under this rate schedule to an equivalent level of service entitlements under Pipeline's FGS Rate Schedule. Customer must provide Pipeline with written notice of its intent to convert no less than two (2) months in advance of the exercise of such conversion right. After conversion, the Customer may not later return any of the converted service rights to service under the VGS Rate Schedule.

Effective Date: 07/01/1993 Status: Effective
FERC Docket: RS92- 18-002

Original Sheet No. 15A Original Sheet No. 15A : Superseded

RATE SCHEDULE VTS
Volumetric Transportation Service

1. AVAILABILITY

This rate schedule is automatically available for the volumetric transportation by Kentucky West Virginia Gas Company (hereinafter called "Pipeline") of natural gas on a firm basis by any customer (hereinafter called "Customer"):

- (a) Who was entitled on April 8, 1992 to receive sales service under Rate Schedule GSS-1;
- (b) Whose Maximum Daily Quantity does not exceed 13,422 dth; and
- (c) Which has executed prior to the effective date of this Tariff a Service Agreement in the form contained in the Pipeline's FERC Gas Tariff of which this Rate Schedule is a part.

2. APPLICABILITY AND CHARACTER OF SERVICE

Service provided under this rate schedule shall be performed under Subpart B or G of Part 284 of the Commission's Regulations. This rate schedule shall apply to all gas received and delivered to Customer hereunder on a firm basis under a one-part volumetric rate design.

Deliveries to Customer hereunder, up to the Maximum Daily Quantity, shall be considered firm gas and shall not be subject to curtailment or interruptions except as provided in the General Terms and Conditions of this Tariff. Transportation service hereunder shall consist of the acceptance by Pipeline of natural gas tendered by or on behalf of Customer for transportation at the Receipt Point(s) specified in the executed Service Agreement, the firm transportation of that natural gas through Pipeline's system, and the firm delivery of that gas, after retainage at the level provided for in Section 27 of this Tariff, by Pipeline to Customer for Customer's account, or to the system of a third-party, at the Delivery Point(s) in the executed Service Agreement.

3. RATE

The transportation rate for all natural gas delivered under this Rate Schedule each month shall be the Total Effective Rate set out in Section 27 of this Tariff plus any applicable GRI charge as set out on Sheet No. 56 of this Tariff and applicable ACA charge as set out on Sheet No. 57 of this Tariff.

4. REIMBURSEMENT OF REGULATORY EXPENSES

Customer shall reimburse Pipeline for all regulatory filing fees incurred by Pipeline to provide service under Customer's executed service agreement, as it may be amended, revised or superseded from time to time.

Effective Date: 07/01/1993 Status: Effective
FERC Docket: RS92- 18-002

Original Sheet No. 15B Original Sheet No. 15B : Superseded

RATE SCHEDULE VTS (Continued)
Volumetric Transportation Service

5. MINIMUM BILL

None.

6. RECEIPTS AND DELIVERIES

(a) Customer will make deliveries of gas to Pipeline for volumetric firm transportation hereunder at mutually agreeable points of receipt on Pipeline's system, as described in the executed service agreement. Prior to the initial receipt of such gas, Customer shall reimburse Pipeline the cost of any facilities that Pipeline may have agreed to install to receive, meter, transport or deliver Customer's gas.

(b) All gas tendered by Customer for transportation hereunder shall conform to the quality provisions of the General Terms and Conditions of Pipeline's FERC Gas Tariff.

7. GRI CHARGE AND FERC ANNUAL FUNDING CHARGE ADJUSTMENT

The rates in this rate schedule for all service rendered to Customers shall include increments for a GRI charge and an ACA funding charge as set out in Sections 28 and 29, respectively, of the General Terms and Conditions.

8. GENERAL TERMS AND CONDITIONS

The General Terms and Conditions of Pipeline's FERC Gas Tariff, Third Revised Volume No. 1, as such may be superseded or revised from time to time, are applicable to this rate schedule and made a part thereof.

9. CONVERSION RIGHT

Any Customer under this rate schedule shall have a one-time, irrevocable right to convert all or part of its service entitlements under this rate schedule to an equivalent level of service entitlements under Pipeline's FTS Rate Schedule. Customer must provide Pipeline with written notice of its intent to convert no less than two (2) months in advance of the exercise of such conversion right. After conversion, the Customer may not later return any of the converted service rights to service under the VTS Rate Schedule.

Original Sheet No. 16 Original Sheet No. 16 : Superseded

RATE SCHEDULE NNTS
No-Notice Transportation Service

1. AVAILABILITY

- (a) This Rate Schedule is available for the gathering and transportation of natural gas on a firm basis by Kentucky West Virginia Gas Company (hereinafter called "Pipeline") on behalf of any Shipper (hereinafter called "Customer") which received, or was eligible to receive, bundled, city-gate, firm sales service from Pipeline on May 18, 1992, where Customer has an executed Service Agreement in the form provided in this Tariff with Pipeline providing for such service. If no eligible Customer elects during the restructuring proceedings to contract for such service, Pipeline will withdraw this Rate Schedule and not provide such service to anyone in the future.

2. APPLICABILITY AND CHARACTER OF SERVICE

- 2.1 This Rate Schedule shall apply to the firm transportation of natural gas on Pipeline's system pursuant to an executed Service Agreement. Transportation service hereunder shall consist of the acceptance by Pipeline of natural gas tendered by Customer for transportation at the Receipt Point(s) specified in the executed Service Agreement, the firm transportation of that natural gas through Pipeline's system, and the delivery of that gas, after retainage at the level provided for in Section 27 of this Tariff, by Pipeline to Customer for Customer's account at the Delivery Point(s) in the executed Service Agreement.
- 2.2 Customer's desiring service under this Rate Schedule must nominate service on a monthly basis in accordance with Section 13 of the General Terms and Conditions of Pipeline's Tariff. Pipeline shall schedule receipts and deliveries in accordance with Customer nominations, and deliver for Customer's account on a daily basis quantities of gas, less retainage, equal to the daily quantities received for Customer's account, not to exceed the Customer's maximum daily contract transportation quantity as specified in the Service Agreement. Customer is responsible for adjusting its receipts and deliveries to conform to scheduled quantities.
- 2.3 Notwithstanding the provisions of Section 2.2, Customers receiving service under this Rate Schedule may receive, without advance notice to Pipeline, deliveries up to Customer's maximum daily contract entitlement, less retainage as provided in Section 27 of this Tariff, without having to concurrently provide for additional receipts of natural gas by Pipeline for Customer's account.

Effective Date: 07/01/1993 Status: Effective
FERC Docket: RS92- 18-002

Original Sheet No. 16A Original Sheet No. 16A : Superseded

RATE SCHEDULE NNTS (Continued)
No-Notice Transportation Service

2.4 To provide this service, Pipeline will contract with a producer for the loan of such volumes for a fee. The entire fee collected will be paid directly to the producer for the privilege of allowing the Customer to have a first call on the producer's gas supply. The Customer will also be required to pay for such gas at the prevailing market rate or make up the quantities taken within thirty (30) days.

3. RATE

The charge for service under this Rate Schedule shall be in addition to any other charges applicable to service provided under any of Pipeline's firm Rate Schedules and will be computed as follows:

3.1 No-Notice Reservation Charge: an amount determined as the monthly sum of the number of days for which no-notice service is requested times the volumetric level of no-notice service requested times \$.25. For example, a Customer with a maximum daily transportation entitlement of 100 dth, who nominates 50 dth/day as no-notice service for an entire 30 day month would pay the following monthly fee:

$$50 \times 30 \times \$.25 = \$375$$

The reservation fee covers only the right to take such gas. Customer will still be responsible for paying for such gas or making up the volumes within thirty (30) days.

4. MINIMUM BILL

The minimum bill under this Rate Schedule shall consist of the No-Notice Reservation Charge, as specified in Section 3.1.

5. GENERAL TERMS AND CONDITIONS

The General Terms and Conditions of Pipeline's FERC Gas Tariff, Third Revised Volume No. 1, as such may be superseded or revised from time to time, are applicable to this rate schedule and made a part hereof.

Effective Date: 07/01/1993 Status: Effective

FERC Docket: RS92- 18-002

Original Sheet No. 16B Original Sheet No. 16B : Superseded

RATE SCHEDULE MDS
Marketing Division Sales Service

1. AVAILABILITY

This Rate Schedule is available to any party (hereinafter called "Customer") for the purchase of gas on an unbundled basis from Kentucky West Virginia Gas Company (hereinafter called "Pipeline") under the following conditions:

- a. Pipeline possesses adequate supplies of gas to render the proposed sales service; and
- b. Customer has entered into a sales service agreement with Pipeline wherein the Customer agrees to purchase a quantity of gas under terms and conditions negotiated between Pipeline and Customer.

2. APPLICABILITY AND CHARACTER OF SERVICE

- 2.1 The applicability and character of this service including rates, term, and conditions of service, shall be subject to negotiation between Pipeline and any prospective Customer.
- 2.2 Sales under this Rate Schedule shall be made only at or upstream of the wellhead, pooling point or upstream receipt point. Customer shall be solely responsible for obtaining any necessary gathering or transportation from the point(s) of sale.
- 2.3 Sales under this Rate Schedule shall be made on a firm or interruptible basis as negotiated between Pipeline and Customer.
- 2.4 Sales under this Rate Schedule shall be provided under the blanket certificate authority issued to Pipeline pursuant to 18 C.F.R. Section 284.284(a). When a sales service agreement between Pipeline and Customer expires, Pipeline is authorized to abandon such sales service without additional abandonment authorization from the FERC.

3. RATE

- 3.1 The rate for service under this Rate Schedule shall be negotiated between Pipeline and Customer, and shall be based on prevailing market-clearing prices.

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FERC Docket: RS92- 18-002

Original Sheet No. 16C Original Sheet No. 16C : Superseded

RATE SCHEDULE MDS (Continued)
Marketing Division Sales Service

4 TERM

The term provision for service hereunder shall be negotiated between Pipeline and Customer, but shall not exceed 20 years from the execution of the sales service agreement.

5. CURTAILMENT

Service under this Rate Schedule shall be subject to curtailment pursuant to Section 14.3 of the General Terms and Conditions of Pipeline's FERC Gas Tariff.

Effective Date: 07/01/1993 Status: Effective

FERC Docket: RS92- 18-002

Original Sheet No. 17 Original Sheet No. 17 : Superseded

GENERAL TERMS AND CONDITIONS
INDEX TO PROVISIONS

Section No.	Provision	Sheet No.
1 . . .	Definitions	18
2 . . .	Term of Executed Service Agreement	19
3 . . .	Quality	21
4 . . .	Measurement	22
5 . . .	Measuring Equipment	23
6 . . .	Billing	25
7 . . .	Payments	26
8 . . .	Control and Possession of Gas	27
9 . . .	Warranty of Title to Gas and Indemnification	27
10 . . .	Equality of Services	28
11 . . .	Procedures for Requesting and Contracting for Service	28
12 . . .	Flexible Receipt and Delivery Points	32
12A . . .	Allocation of Mainline Capacity	33A
13 . . .	Scheduling of Services	34
14 . . .	Curtailement of Service	38
15 . . .	Force Majeure	39
16 . . .	Operational Flow Orders	40
17 . . .	Non-Waiver of Future Defaults	42A
18 . . .	Modification	42A
19 . . .	Notices	42A
20 . . .	Assignment	43
21 . . .	Termination for Default	43
22 . . .	Governmental Regulation	43A
23 . . .	Descriptive Headings	43A
24 . . .	Pregranted Abandonment	44
25 . . .	Capacity Release	46
26 . . .	Market Centers	54
27 . . .	Rates for Gathering, Transportation and Sales Services	54A
28 . . .	Gas Research Charge	56
29 . . .	Federal Energy Regulatory Commission Annual Charge Adjustment	57
30 . . .	Electronic Bulletin Board	58
31 . . .	Recovery of Transition Costs	59
32 . . .	Order No. 497 Compliance Procedures	61
33 . . .	Procedures for Addressing Transportation Complaints	61
34 . . .	Recovery of Natural Gas Policy Act Prices	61
35 . . .	Determination of Deliveries and Imbalances	61A
36 . . .	Exit Fees	61C
37 . . .	Interruptible Revenue Sharing	61D

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FERC Docket: RS92- 18-002

Original Sheet No. 18 Original Sheet No. 18 : Superseded

GENERAL TERMS AND CONDITIONS

1. DEFINITIONS

Except where the context otherwise indicates another or different meaning or intent, the following terms, when used herein or in any agreement incorporating these General Terms and Conditions, are intended and used and shall be construed to have meanings as follows:

- (a) The term "Day" shall mean a period of twenty-four (24) consecutive hours, beginning at an hour agreed upon by Customer and Pipeline.
- (b) The term "Month", shall mean the period beginning at the hour agreed upon by Customer and Pipeline on the first "day" of the calendar month and ending at the same hour on the first "day" of the next succeeding calendar month.
- (c) The term "Billing Month" as used in Rate Schedule VGTS shall be a period of four (4) or five (5) weeks, as the case may be, so that there are twelve (12) billing months in each year.
- (d) The term "Natural Gas" shall mean either natural gas unmixed, or any mixture of natural and artificial gas.
- (e) The term "British Thermal Unit" (Btu) shall mean the amount of heat required to raise the temperature of one (1) pound of water one degree (1 degree) Fahrenheit at sixty degrees (60 degrees) Fahrenheit.
- (f) The term "Contract Year" as used in Rate Schedules VGS and VTS shall mean a consecutive twelve (12) month period beginning each May 1 and ending each April 30.
- (g) The term "Contract Year" as used in Rate Schedules FGS and FTS shall mean a consecutive twelve (12) month period beginning each December 1 and ending each November 30.
- (h) The term "Dekatherm" (dth) shall mean the quantity of heat energy which is equivalent to 1,000,000 British Thermal Units. One (1) "dekatherm" of gas shall mean the quantity of gas which contains one (1) dekatherm of heat energy. The term "Mcf" shall mean 1,000 cubic feet of gas.
- (i) The term "Maximum Annual Contract Quantity" as used in Rate Schedules ITS, IGS, FTS, FGS, VTS and VGS shall mean the

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Original Sheet No. 19 Original Sheet No. 19 : Superseded

GENERAL TERMS AND CONDITIONS (Continued)

annual quantity of natural gas which Pipeline is obligated to receive and/or deliver under such rate schedule during any year for the account of any customer.

- (j) The term "Total Heating Value" shall mean the number of British Thermal Units evolved by the complete combustion with air, at constant pressure, of one anhydrous (dry) cubic foot of gas under a pressure of 14.73 psia and a temperature of 60 degrees Fahrenheit and when the products of combustion are cooled to the initial temperature of the gas and air and the water formed by combustion is condensed to the liquid state.
- (k) The term "Quantity of Gas" shall mean the number of units of gas expressed in dekatherms unless otherwise specified.
- (l) The term "Maximum Daily Contract Quantity" as used in Rate Schedules ITS, IGS, FTS, FGS, VTS and VGS shall mean the Maximum Quantity of natural gas which Pipeline shall be obligated to receive and/or deliver under such rate schedule on any day for the account of any Customer.
- (m) The term "Releasing Customer" shall mean a firm customer or replacement customer holding firm capacity under a service agreement that desires to release all or a portion of its firm capacity rights under Section 25 of the General Terms and Conditions.
- (n) The term "Replacement Customer" shall mean a customer which has contracted to utilize a releasing shipper's capacity for a specified period.
- (o) The term "Pre-arranged Replacement Customer" shall mean a party with a pre-arranged bid for capacity that a Releasing Customer provides to Pipeline for posting on the electronic bulletin board.
- (p) The term "Bidder" shall mean a party submitting a bid to Pipeline's electronic bulletin board for released capacity.

2. TERM OF EXECUTED SERVICE AGREEMENT

The period of time to be covered by any executed Service Agreement between the parties shall be as mutually agreed at the time of its execution and shall, unless otherwise provided, continue until terminated either by Pipeline or by Customer upon twelve (12) months' prior written notice to the other specifying a termination date at the end of such agreed period or any yearly period thereafter. The firm service agreements currently in effect for Pipeline are as follows:

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FERC Docket: RS92- 18-004

Original Sheet No. 20 Original Sheet No. 20 : Superseded

RATE SCHEDULE SSS
(Small System Sales)
General Service

1. AVAILABILITY

This Rate Schedule is available for one year from the effective date of this tariff sheet for the purchase at the wellhead from Kentucky West Virginia Gas Company (hereinafter called "Pipeline") of natural gas by any distributing or pipeline customer (hereinafter called "Customer"):

- (a) Who previously purchased its gas supply under a one-part volumetric rate;
- (b) Whose Maximum Daily Quantity does not exceed 13,422 dth;
- (c) Which has executed a Service Agreement in the form contained in the FERC Gas Tariff of which this Rate Schedule is a part; and
- (d) Which contracted during the restructuring period for such purchases.

2. APPLICABILITY AND CHARACTER OF SERVICE

This Rate Schedule shall apply to all gas sold to Customer hereunder to be delivered on a firm or interruptible basis. Pipeline will have no obligation under this Rate Schedule to transport gas for purchaser. However, transportation for Customer, up to the Maximum Daily Quantity, shall be made under any of Pipeline's Rate Schedules.

3. RATE

The rate for all natural gas sold under this Rate Schedule each month shall be the Inside Ferc Gas Market Report's Appalachian Index spot price for gas delivered into Columbia Gas Transmission Corporation in Kentucky for the month of sale plus any applicable GRI charge and applicable ACA charge.

4. UNIT OF MEASUREMENT

See Section 4 of the General Terms and Conditions.

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FERC Docket: RS92- 18-004

Original Sheet No. 21 Original Sheet No. 21 : Superseded

RATE SCHEDULE SSS (Continued)
(Small System Sales)
General Service

5. GAS RESEARCH INSTITUTE FUNDING CHARGE ADJUSTMENT

The rates in this Rate Schedule for all sales to Customers which are not interstate pipeline customers and which do not include in their rates a charge for Research, Development, and Demonstration by Gas Research Institute shall include a GRI funding charge as provided for in Section 28 of the General Terms and Conditions.

6. FERC ANNUAL FUNDING CHARGE ADJUSTMENT

The rates in this Rate Schedule for all sales to Customers shall include an increment for an ACA funding charge as set out in Section 29 of the General Terms and Conditions.

7. GENERAL TERMS AND CONDITIONS

All of the General Terms and Conditions set forth in this Tariff are applicable to this Rate Schedule and are hereby made a part hereof, including the Penalty provisions in Section 35.

GENERAL TERMS AND CONDITIONS (Continued)

- (i) Oxygen - The oxygen content shall not exceed one percent (1.0%) by volume and every reasonable effort shall be made to keep the gas delivered free of oxygen.
- ii) Liquids - The gas shall be free of water and hydrocarbons in liquid form at the temperature and pressure at which the gas is delivered. The gas shall in no event contain water vapor in excess of seven (7) pounds per million cubic feet.
- (iii) Hydrogen Sulphide - The gas shall not contain more than three-tenths (0.3) grain of hydrogen sulphide per one hundred (100) cubic feet.
- (iv) Total Sulphur - The gas shall not contain more than thirty (30) grains of total sulphur per one hundred (100) cubic feet.
- (v) Carbon Dioxide - The gas shall not have a carbon dioxide content in excess of three percent (3.0%) by volume.
- (vi) Dust, Gums and Solid Matter - The gas shall be commercially free of dust, gums and other solid matter.

Pipeline may accept natural gas which differs from the quality specifications set forth above until such time as Pipeline, in its reasonable discretion and judgment, determines that natural gas received for gathering or transportation must conform to the quality specifications set forth above to maintain desired standards in and/or prudent operation of Pipeline's system. Upon such a determination, Pipeline will notify Customer that all prospective deliveries must comply with the quality specifications set forth above or the provisions of paragraph 3.4 below shall be applicable to all natural gas tendered for transportation which does not so comply.

- 3.4 If, at any time, gas tendered by Customer for gathering or transportation or by Pipeline after gathering or transportation shall fail to substantially conform to any of the applicable quality specifications and Pipeline notifies the delivering party of such deficiency and the delivering party fails to remedy any such deficiency within a reasonable period of time, Pipeline may, at its option, refuse to accept delivery pending correction of the deficiency by the delivering party. In the alternative Pipeline may continue to accept delivery and make such changes necessary to cause the gas to conform to such specifications, in which event the delivering party shall reimburse Pipeline for all reasonable expenses incurred by Pipeline in effecting such changes. Failure by either Pipeline or Customer to tender deliveries that conform to any of the applicable quality specifications shall not be construed to eliminate, or limit in any manner, the rights and obligations existing under any other provisions of the executed Service Agreement and shall not limit Pipeline's right to refuse to accept deliveries from any Customer that fails to conform to applicable quality specifications at any time.

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FERC Docket: RS92- 18-004

Original Sheet No. 22 Original Sheet No. 22 : Superseded

RATE SCHEDULE SSS (Continued)
(Small System Sales)
General Service

8. RECOVERY OF NATURAL GAS POLICY ACT PRICES

This Rate Schedule is subject to Section 34 of the General Terms and Conditions and to the provisions of Volume 3 of Kentucky West's FERC Gas Tariff, which sets forth the settlement agreements with the former Rate Schedule GSS-1 customers identified therein arising out of Public Service Comm'n of New York v. FERC, 463 U.S. 319 (1983) and Kentucky West Virginia Gas Co. v. FERC, 780 F.2d 1231 (5th Cir. 1986).

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FERC Docket: RS92- 18-004

Original Sheet No. 23 Original Sheet No. 23 : Superseded

(Reserved for future use.)

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Original Sheet No. 24 Original Sheet No. 24 : Superseded

(Reserved for future use.)

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Original Sheet No. 25 Original Sheet No. 25 : Superseded

(Reserved for future use.)

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FERC Docket: RP96-288-000

First Revised Sheet No. 26 First Revised Sheet No. 26 : Superseded
Superseding: Original Sheet No. 26

RATE SCHEDULE FTS
Firm Transportation Service

1. AVAILABILITY

- (a) This open access rate schedule is available for the transportation (and a gathering service, if applicable) by Kentucky West Virginia Gas Company (hereinafter called "Pipeline") of natural gas on a firm basis on behalf of any Shipper (hereinafter called "Customer") where Customer has an executed service agreement in the form provided in this Tariff with Pipeline providing for such service. Service under this Rate Schedule shall be provided subject to the provisions of Subparts B or G of Part 284 of the Commission's regulations.
- (b) The following reasonable limitations shall apply to the availability of service under this rate schedule:
 - (1) Pipeline shall not be required to agree to provide any requested transportation service for which capacity is not available or that would require the construction or acquisition of any new facilities; and
 - (2) Pipeline shall agree to provide requested transportation service hereunder on a "first-come, first-served" basis, as among requests for firm service.

2. APPLICABILITY AND CHARACTER OF SERVICE

Transportation service hereunder shall consist of the acceptance by Pipeline of natural gas tendered by or on behalf of Customer for transportation at the Receipt Point(s) specified in the executed Service Agreement, the firm transportation of that natural gas through Pipeline's system, and the delivery of that gas, after retainage at the level provided for in the Currently Effective Rates, Sheet No. 5 of this Tariff, by Pipeline to Customer for Customer's account, or to the system of a third-party, at the Delivery Point(s) in the executed Service Agreement.

Effective Date: 08/01/1996 Status: Effective
FERC Docket: RP96-288-000

First Revised Sheet No. 27 First Revised Sheet No. 27 : Superseded
Superseding: Original Sheet No. 27

RATE SCHEDULE FTS (Continued)
Firm Transportation Service

3. RATE

Customer shall pay Pipeline for service, including gathering service if applicable, rendered hereunder during each monthly billing period an amount which is the sum of the following, plus applicable GRI charge and ACA funding charge as set out in Sections 28 and 29, respectively, of this Tariff.

3.1 Reservation Charges: An amount equal to Customer's Maximum Daily Contract Transportation Quantity ("MDCTQ") plus gathering service, if applicable, specified in the executed Transportation Service Agreement multiplied by the Daily Reservation Charges specified in the Currently Effective Rates, Sheet Nos. 4 and 5 of this Tariff for this rate schedule.

3.2 Commodity Charges: An amount equal to the volume of gas transported plus gathering service, if applicable, by Pipeline for Customer during the billing period multiplied by the Total Commodity Charges specified in the Currently Effective Rates, Sheet Nos. 4 and 5 of this Tariff for this rate schedule.

4. REIMBURSEMENT OF REGULATORY EXPENSES

Customer shall reimburse Pipeline for all regulatory filing fees incurred by Pipeline to provide service under Customer's executed service agreement, as it may be amended, revised or superseded from time to time.

5. MINIMUM BILL

The reservation charge.

6. RECEIPTS AND DELIVERIES

(a) Customer will make deliveries of gas to Pipeline for transportation hereunder at mutually agreeable points of receipt on Pipeline's system, as described in the executed service agreement. Prior to the initial receipt of such gas, Customer shall reimburse Pipeline the cost of any facilities that Pipeline may have agreed to install to receive, meter, transport or deliver Buyer's gas.

(b) All gas tendered by Customer for transportation hereunder shall conform to the quality provisions of the General Terms and Conditions of Pipeline's FERC Gas Tariff, Third Revised Volume No. 1.

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FERC Docket: RS92- 18-004

Original Sheet No. 28 Original Sheet No. 28 : Superseded

RATE SCHEDULE FTS (Continued)
Firm Transportation Service

7. GRI CHARGE AND FERC ANNUAL FUNDING CHARGE ADJUSTMENT

The rates in this rate schedule for all services rendered to Customer shall include increments for a GRI charge and an ACA funding charge as set out in Sections 28 and 29, respectively, of the General Terms and Conditions.

8. GENERAL TERMS AND CONDITIONS

The General Terms and Conditions of Pipeline's FERC Gas Tariff, Third Revised Volume No. 1, as such may be superseded or revised from time to time, are applicable to this rate schedule and made a part hereof.

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FERC Docket: RS92- 18-004

Original Sheet No. 29 Original Sheet No. 29 : Superseded

(Reserved for future use.)

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FERC Docket: RS92- 18-004

Original Sheet No. 30 Original Sheet No. 30 : Superseded

(Reserved for future use.)

Effective Date: 08/01/1996 Status: Effective
FERC Docket: RP96-288-000

First Revised Sheet No. 31 First Revised Sheet No. 31 : Superseded
Superseding: Original Sheet No. 31

RATE SCHEDULE ITS
Interruptible Transportation Service

1. AVAILABILITY

- (a) This open access rate schedule is available for the transportation (and a gathering service, if applicable) by Kentucky West Virginia Gas Company (hereinafter called "Pipeline") of natural gas on an interruptible basis on behalf of any Shipper (hereinafter called "Customer") where Customer has an executed service agreement in the form provided in this Tariff with Pipeline providing for such service. Service under this Rate Schedule shall be provided subject to the provisions of Subparts B or G of Part 284 of the Commission's regulations.
- (b) The following reasonable limitations shall apply to the availability of service under this rate schedule:
 - (1) Pipeline shall not be required to agree to provide any requested transportation service for which capacity is not available or that would require the construction or acquisition of any new facilities; and
 - (2) Pipeline shall agree to provide requested transportation service hereunder on a "first-come, first-served" basis, as among requests for interruptible service.

2. APPLICABILITY AND CHARACTER OF SERVICE

Transportation service hereunder shall consist of the acceptance by Pipeline of natural gas tendered by or on behalf of Customer for transportation at the Receipt Point(s) specified in the executed Service Agreement, the transportation of that natural gas through Pipeline's system, and the delivery of that gas, after retainage at the level provided for in the Currently Effective Rates, Sheet No. 5 of this Tariff, by Pipeline to Customer for Customer's account, or to the system of a third-party, at the Delivery Point(s) in the executed Service Agreement.

3. RATE

Customer shall pay Pipeline for service, including gathering service if applicable, rendered hereunder during each monthly billing period an amount equal to the volume of gas transported by Pipeline for Customer during the billing period multiplied by the Total Commodity Charge specified in the Currently Effective Rates, Sheet Nos. 4 and 5 of this Tariff, plus applicable GRI charge and ACA funding charge as set out in Sections 28 and 29, respectively, of the General Terms and Conditions.

Effective Date: 07/01/1993 Status: Effective

FERC Docket: RS92- 18-004

Original Sheet No. 32 Original Sheet No. 32 : Superseded

RATE SCHEDULE ITS (Continued)
Interruptible Transportation Service

4. REIMBURSEMENT OF REGULATORY EXPENSES

Customer shall reimburse Pipeline for all regulatory filing fees incurred by Pipeline to provide service under Customer's executed service agreement, as it may be amended, revised or superseded from time to time.

5. MINIMUM BILL

None

6. RECEIPTS AND DELIVERIES

(a) Customer will make deliveries of gas to Pipeline for transportation hereunder at mutually agreeable points of receipt on Pipeline's system, as described in the executed service agreement. Prior to the initial receipt of such gas, Customer shall reimburse Pipeline the cost of any facilities that Pipeline may have agreed to install to receive, meter, transport or deliver Customer's gas.

(b) All gas tendered by Customer for transportation hereunder shall conform to the quality provisions of the General Terms and Conditions of Pipeline's FERC Gas Tariff.

7. GRI CHARGE AND FERC ANNUAL FUNDING CHARGE ADJUSTMENT

The rates in this rate schedule for all services rendered to Customer shall include increments for a GRI charge and an ACA funding charge as set out in Sections 28 and 29, respectively, of the General Terms and Conditions.

8. GENERAL TERMS AND CONDITIONS

The General Terms and Conditions of Pipeline's FERC Gas Tariff, Third Revised Volume No. 1, as such may be superseded or revised from time to time, are applicable to this rate schedule and made a part hereof.

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FERC Docket: RS92- 18-004

Original Sheet No. 33 Original Sheet No. 33 : Superseded

(Reserved for future use.)

Effective Date: 07/01/1993 Status: Effective

FERC Docket: RS92- 18-002

Original Sheet No. 33A Original Sheet No. 33A : Superseded

GENERAL TERMS AND CONDITIONS (Continued)

12A Allocation of Mainline Capacity

12A.1 Initial Allocations

The initial allocation of mainline capacity will be made through conversions of existing customers. Any uncontracted capacity will be placed on Pipeline's electronic bulletin board and allocated in conformance with Section 25 of the General Terms and Conditions of this Tariff.

12A.2 Subsequent Allocations

All subsequent allocations of mainline capacity will be based on the provisions of Section 25 of the General Terms and Conditions of this Tariff.

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First Revised Sheet No. 35 First Revised Sheet No. 35 : Superseded
Superseding: Original Sheet No. 35

RATE SCHEDULE VTS
Volumetric Transportation Service

1. AVAILABILITY

This rate schedule is automatically available for the volumetric transportation (and a gathering service, if applicable) by Kentucky West Virginia Gas Company (hereinafter called "Pipeline") of natural gas on a firm basis by any customer (hereinafter called "Customer"):

- (a) Who was entitled on April 8, 1992 to receive sales service under Rate Schedule GSS-1;
- (b) Whose Maximum Daily Quantity does not exceed 13,678 (dry) dth; and
- (c) Which has executed prior to the effective date of this Tariff a Service Agreement in the form contained in the Pipeline's FERC Gas Tariff of which this Rate Schedule is a part.

2. APPLICABILITY AND CHARACTER OF SERVICE

Service provided under this rate schedule shall be performed under Subpart B or G of Part 284 of the Commission's Regulations. This rate schedule shall apply to all gas received and delivered to Customer hereunder on a firm basis under a one-part volumetric rate design.

Deliveries to Customer hereunder, up to the Maximum Daily Quantity, shall be considered firm gas and shall not be subject to curtailment or interruptions except as provided in the General Terms and Conditions of this Tariff. Transportation service hereunder shall consist of the acceptance by Pipeline of natural gas tendered by or on behalf of Customer for transportation at the Receipt Point(s) specified in the executed Service Agreement, the firm transportation of that natural gas through Pipeline's system, and the firm delivery of that gas, after retainage at the level provided for in the Currently Effective Rates, Sheet No. 5 of this Tariff, by Pipeline to Customer for Customer's account, or to the system of a third-party, at the Delivery Point(s) in the executed Service Agreement.

3. RATE

The transportation rate for all natural gas delivered under this Rate Schedule each month shall be the Total Effective Rate plus any gathering charges, if applicable, set out in the Currently Effective Rates, Sheet Nos. 4 and 5 of this Tariff plus any applicable GRI or ACA charges set out in Sections 28 and 29, respectively, of this Tariff.

4. REIMBURSEMENT OF REGULATORY EXPENSES

Customer shall reimburse Pipeline for all regulatory filing fees incurred by Pipeline to provide service under Customer's executed service agreement, as it may be amended, revised or superseded from time to time.

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Original Sheet No. 35A Original Sheet No. 35A : Superseded

GENERAL TERMS AND CONDITIONS (Continued)

b. Receipt and Delivery Allocation

- (1) All customers will be allowed to aggregate volumes at any field receipt point on Pipeline's system and deliver those quantities anywhere on the system, subject to capacity constraints. When more than one receipt point or delivery point is designated, Customer and Pipeline shall agree as to the maximum amount of gas to be received or delivered at any time at each such receipt point or delivery point (the total of which amounts may not exceed the Maximum Daily Contract Quantities) and, subject to the limitations so established, Customer shall from time to time take or cause to be taken any and all action necessary or desirable with respect to the allocation of gas at such receipt point(s) or delivery point(s), including the issuing of predetermined allocations or instructions to Pipeline and Pipeline may rely on any such predetermined allocations or instructions and will receive or deliver gas in accordance with such predetermined allocations or instructions. When two or more persons are Customer under the same Service Agreement with Pipeline, an agent shall be designated and authorized to act on behalf of all such persons with respect to such predetermined allocations and instructions.
- (2) When Pipeline receives gas from more than one Customer at a common receipt point or delivers gas to more than one Customer at a common delivery point, Pipeline shall apportion the total measured receipt or delivery to each Customer pro rata based on the nominations of each such Customer; provided however, Pipeline shall rely upon any predetermined allocation or instruction agreed to between such Customers in apportioning the total measured receipt or delivery.
- (3) Pipeline shall not be required to lower its system operating pressure, or to alter the direction of gas flow, the gas load, or other operation or utilization of its facilities in order to receive, transport or deliver gas. Deliveries of gas to Pipeline by Customer at the points of receipt under the Service Agreement shall be at natural reservoir pressure without compression and sufficient to cause the gas to enter Pipeline's facilities; provided, however, that compression may be utilized by Customer with the prior written consent of

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RATE SCHEDULE VTS (Continued)
Volumetric Transportation Service

5. MINIMUM BILL

None.

6. RECEIPTS AND DELIVERIES

(a) Customer will make deliveries of gas to Pipeline for volumetric firm transportation hereunder at mutually agreeable points of receipt on Pipeline's system, as described in the executed service agreement. Prior to the initial receipt of such gas, Customer shall reimburse Pipeline the cost of any facilities that Pipeline may have agreed to install to receive, meter, transport or deliver Customer's gas.

(b) All gas tendered by Customer for transportation hereunder shall conform to the quality provisions of the General Terms and Conditions of Pipeline's FERC Gas Tariff.

7. GRI CHARGE AND FERC ANNUAL FUNDING CHARGE ADJUSTMENT

The rates in this rate schedule for all service rendered to Customers shall include increments for a GRI charge and an ACA funding charge as set out in Sections 28 and 29, respectively, of the General Terms and Conditions.

8. GENERAL TERMS AND CONDITIONS

The General Terms and Conditions of Pipeline's FERC Gas Tariff, Third Revised Volume No. 1, as such may be superseded or revised from time to time, are applicable to this rate schedule and made a part thereof.

9. CONVERSION RIGHT

Any Customer under this rate schedule shall have a one-time, irrevocable right to convert all or part of its service entitlements under this rate schedule to an equivalent level of service entitlements under Pipeline's FTS Rate Schedule. Customer must provide Pipeline with written notice of its intent to convert no less than two (2) months in advance of the exercise of such conversion right. After conversion, the Customer may not later return any of the converted service rights to service under the VTS Rate Schedule.

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Original Sheet No. 38 Original Sheet No. 38 : Superseded

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Original Sheet No. 38A Original Sheet No. 38A : Superseded

GENERAL TERMS AND CONDITIONS (Continued)

14.3 Service Priority Under Gas Supply Curtailment

- A. If a gas supply is maintained by Pipeline, curtailment will be as follows: During any curtailment period Pipeline shall operate its system to the best of its ability to apportion its available gas supply among Customers based on the following end-use priorities, notwithstanding any other provision of this Tariff or any Service Agreement between Pipeline and Customer, to wit:
1. Residential, small commercial (less than 50 dth on a peak day), schools, hospitals, police protection, fire protection, sanitation facility, or correctional facility.
 2. Essential agricultural requirements as certified by the Secretary of Agriculture.
 3. Essential industrial process and feedstock uses.
 4. Large commercial requirements (50 dth or more on peak day), firm industrial requirements for plant protection, feedstock and process needs, pipeline customer storage injection requirements, and firm industrial sales up to 300 dth per day.
 5. All industrial requirements not specified in 2, 3, 4, 6 or 7 hereof.
 6. Firm industrial requirements for boiler fuel use of more than 300 dth per day, where alternate fuel capabilities can meet such requirements.
 7. Interruptible requirements of more than 300 dth per day, where alternate fuel capabilities can meet such requirements.
- B. The definitions of terms for the priority of service categories are as follows:
1. Residential: Service to customers which consists of direct natural gas usage in a residential dwelling, including apartments and other multi-unit buildings, predominately for space heating, air conditioning, cooking, clothes drying, water heating and other residential uses.

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Original Sheet No. 38B Original Sheet No. 38B : Superseded

GENERAL TERMS AND CONDITIONS (Continued)

2. Hospital: Service to a facility, the primary function of which is delivering medical care to patients who remain at the facility including nursing and convalescent homes but excluding outpatient clinics or doctor's offices.
3. Schools: Service to a facility, the primary function of which is to deliver instruction to regularly enrolled students in attendance at such facility.
4. Essential Agricultural: Service to customers for natural gas usage which is certified by the Secretary of Agriculture pursuant to 7 C.F.R. 2900, et seq. exclusive of requirements as to which the Commission has determined in 18 C.F.R. Part 281, Subpart C, that an alternative fuel is reasonably available and economically practicable.
5. Essential Industrial Process and Feedstock Uses: Any use which falls within the definition prescribed by the Secretary of Energy pursuant to Section 402 of the Natural Gas Policy Act of 1978. Until such time as the Secretary of Energy prescribes the rule required by Section 402 of the Natural Gas Policy Act of 1978 and the Commission implements said rule, Customers' end uses shall be assigned to Priority 3 to the extent they fall within the definitions of industrial "Feedstock gas" and "process gas" set forth in 11 and 12, respectively, of these definitions.
6. Commercial: Service to customers engaged primarily in the sale of goods or services including institutions and local, state, and federal government agencies for use other than those involving manufacturing or electric power generation.
7. Industrial: Service to customers engaged primarily in a process which creates or changes raw or unfinished materials into another form of product including the generation of electric power.
8. Firm Service: Service from schedules or contracts under which Pipeline is expressly obligated to deliver specific quantities within a given time period and which anticipates no interruptions, but which may permit unexpected interruption in case the supply to higher priority customers is threatened.

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Original Sheet No. 38C Original Sheet No. 38C : Superseded

GENERAL TERMS AND CONDITIONS (Continued)

9. Interruptible Service: Service from schedules or contracts under which Pipeline is not expressly obligated to deliver specific quantities within a given time period, and which anticipates and permits interruption on short notice, or service under schedules or contracts which expressly or impliedly require installation of alternate fuel capability.
 10. Plant Protection Gas: Minimum quantities required to prevent physical harm to the plant facilities or danger to plant personnel when such protection cannot be afforded through the use of an alternate fuel.
 11. Feedstock Gas: Natural gas used as raw material for its chemical properties in creating an end product.
 12. Process Gas: Gas use for which alternate fuels are not technically feasible such as in applications requiring precise temperature controls and precise flame characteristics. For purposes of this definition propane and other gaseous fuels shall not be considered alternate fuels.
 13. Boiler Fuel: Natural gas used as a fuel for the generation of steam or electricity, including the utilization of gas turbines for the generation of electricity.
 14. Alternate Fuel Capabilities: A situation where an alternate fuel could have been utilized whether or not the facilities for such use have actually been installed; provided however, where the use of natural gas is for plant protection, feedstock, or process uses and the only alternate fuel is propane or other gaseous fuel, then the consumer will be treated as if that consumer had no alternate fuel capability.
- C. The priorities of delivery set forth above, and the apportioning of available gas supply as provided for in Section 14.3 of this Article, will be applied to Pipeline's deliveries during curtailment periods. The above list of priorities requires the full curtailment of the lower priority

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GENERAL TERMS AND CONDITIONS (Continued)

category quantities to be accomplished before curtailment of any higher priority quantities is commenced. Additionally, the above list requires both the direct and indirect customers of the Customer that use gas for similar purposes to be placed in the same category of priority.

- D. The priorities of delivery for each Customer are set forth in the index of entitlements provided for in this Section 14. During any period in which Pipeline has invoked curtailment under this Section 14, the index of entitlements effective at the commencement of such curtailment period shall remain effective for the duration of such curtailment period and shall not be changed during such period.

14.4 Customer Reports

Each Customer shall promptly furnish such information as Pipeline may request from time to time to implement any curtailment under this Section, including, but not limited to, (1) the Customer's monthly requirements from Pipeline by priority of service categories with supporting data, including information of individual industrial customers served by Pipeline's customers and (2) the periodic deliveries from Pipeline planned by the Customer to implement any allocation of deliveries made effective under this Section during any curtailment period.

14.5 Curtailment Apportioning

During each month of any curtailment period, and subject to the priorities of delivery set forth in Section 14.3 above and pursuant to the index of entitlements established for each Customer under this Section, Pipeline shall operate its system to the best of its ability to sell and deliver to each of its Customers, as a maximum, the percentage of Pipeline's total available gas supply which is equal to the percentage obtained by dividing Pipeline's total sales and deliveries to Customer during the same month of the year next preceding the month in which the curtailment occurs by the total sales and deliveries of Pipeline during that month. Should curtailment be invoked by Pipeline, Pipeline shall, as soon as practicable, notify Customer of those quantities of gas available hereunder for sale and delivery to Customer during each month of the curtailment period.

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Original Sheet No. 38E Original Sheet No. 38E : Superseded

GENERAL TERMS AND CONDITIONS (Continued)

14.6 Special Adjustment Procedure

- A. If any Customer shall notify Pipeline, pursuant to the notification procedure set forth in Section 14.6(b) hereof, that for any curtailment period, such customer's apportioned share of gas will result in emergency conditions, including environmental emergencies, irreparable injury to life or physical property, or in such Customer's inability to serve minimum plant protection quantities when operations are shut down, and that such Customer has to the extent feasible scheduled the use of all alternate sources of supply available for the curtailment period involved, Pipeline, having satisfied itself that the Customer is entitled thereto, shall permit a special adjustment to such Customer's apportioned share of gas equal to the quantity required to avoid such emergency to the extent Pipeline can permit such adjustment without creating similar emergencies for other Customers or jeopardizing Pipeline's operating program; provided, however, that no Customer shall be entitled to receive on any day or in any period a quantity in excess of its contract quantity limitations and that any Customer receiving a special adjustment shall return the quantity involved to Pipeline before resuming any interruptible services; and provided further that, if Pipeline determines that it is necessary, Pipeline may offset any such special adjustment by reductions of the apportioned share of gas of other Customers pursuant to the procedures specified in Section 14.3 hereof. This special adjustment procedure may not be used by any party, however, to increase its priority level or to raise a lower priority user to a higher priority level.
- B. A Customer shall obtain such special adjustment by delivering a written request to Pipeline, but each Customer obtaining a special adjustment shall mail to Pipeline, within 48 hours after the delivery of said written request, an affidavit certifying the detailed facts concerning the emergency involved and showing that such Customer has met the criteria specified herein for each such special adjustment for the period thereof.

14.7 Limitation of Pipeline's Obligation to Serve

Pipeline shall endeavor to acquire the gas supplies necessary to serve all Customers' full contractual entitlements. Notwithstanding Pipeline's efforts, however, it may not have sufficient gas supplies to serve all Customers' full contractual

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GENERAL TERMS AND CONDITIONS (Continued)

entitlements in the future. In such event, Pipeline shall not be liable for any losses or for either actual or consequential damages arising out of its failure to have sufficient gas supplies for delivery to Customers, and Pipeline's implementation of the curtailment procedures set forth in this Section 14 shall constitute full compliance with its delivery obligations under this Tariff, except to the extent its failure to have sufficient gas supplies is shown to be the result of its own negligence or misfeasance.

14.8 Decrease in Reservation Charge for Failure to Make Full Delivery

If Pipeline, during any curtailment period, fails or is unable to deliver to Customer during any one or more days the quantity of natural gas which Customer is entitled to take and would in good faith have purchased, up to the maximum quantity of natural gas which Pipeline is obligated by the gas sales contract to deliver to Customer, then the reservation charge as otherwise computed under any rate schedule containing a reservation charge in this Tariff shall be reduced by an amount equal to the applicable daily reservation charge per dth times the difference between the quantity of natural gas actually delivered during said day or days and the quantity of natural gas scheduled by Customer for delivery during said day or days.

14.9 Unauthorized Overrun Penalty

If, during any curtailment period whether due to capacity or gas supply limitations any Customer takes, without Pipeline's advance approval, a quantity of natural gas in excess of the maximum amount to which it is entitled pursuant to this Section, said quantity shall constitute unauthorized overrun quantity. For each dth of such unauthorized overrun quantity taken by such Customer, such Customer shall pay to Pipeline a penalty of ten dollars (\$10.00) together with and in addition to the reservation, commodity, gas penalty charges and other charges otherwise payable by such Customer for the period in which said unauthorized overrun quantity was taken; provided, however, if, due to mechanical failure or inadvertent human error, any customer, while exercising reasonable prudence, takes overrun gas, then such Customer may request Pipeline to grant relief if, during the period the overrun payment was incurred, deliveries to Pipeline's other customers were not unduly adversely affected thereby and/or Pipeline's operations were not materially impaired thereby. Neither the payment of a penalty for unauthorized overrun, nor the

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Original Sheet No. 38G Original Sheet No. 38G : Superseded

GENERAL TERMS AND CONDITIONS (Continued)

waiver of such penalty by Pipeline, shall under any circumstances be considered as giving any such customer the right to take unauthorized overrun; nor shall any such payment or waived payment be considered as a substitute for any other remedies available to Pipeline or any other Customer against the offending Customer for failure to adhere to its obligations under the provisions of this Section 14.

14.10 Disposition of Penalty

In December of each year, if Pipeline has collected during the prior 12 month period, overrun penalty charges, as provided in Section 14.9 hereof, Pipeline shall disburse the amount collected to those of its Customers which on any day during the twelve months ending the preceding October failed to receive the quantity of natural gas to which they were entitled under their contracts with Pipeline and which in good faith they would have purchased from Pipeline, but were unable to because of the taking of unauthorized overrun quantities by another Customer within the meaning of Section 14.9 of this Section. Such disbursement shall be computed at the rate of ten dollars (\$10.00) per dth, or such lesser rate as will distribute proportionately among Customers entitled to payments hereunder all overrun penalties collected by Kentucky West under Section 14.9 of this Section during the above-described twelve-month period, for each dth of gas which such Customer failed to receive as hereinabove provided.

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RATE SCHEDULE MDS
Marketing Division Sales Service

1. AVAILABILITY

This Rate Schedule is available to any party (hereinafter called "Customer") for the purchase of gas on an unbundled basis from Kentucky West Virginia Gas Company (hereinafter called "Pipeline") under the following conditions:

- a. Pipeline possesses adequate supplies of gas to render the proposed sales service; and
- b. Customer has entered into a sales service agreement with Pipeline wherein the Customer agrees to purchase a quantity of gas under terms and conditions negotiated between Pipeline and Customer.

2. APPLICABILITY AND CHARACTER OF SERVICE

- 2.1 The applicability and character of this service including rates, term, and conditions of service, shall be subject to negotiation between Pipeline and any prospective Customer.
- 2.2 Sales under this Rate Schedule shall be made at the wellhead, or at a pooling point or receipt point upstream of the mainline system. Customer shall be solely responsible for obtaining any necessary gathering or transportation from the point(s) of sale.
- 2.3 Sales under this Rate Schedule shall be made on a firm or interruptible basis as negotiated between Pipeline and Customer.
- 2.4 Sales under this Rate Schedule shall be provided under the blanket certificate authority issued to Pipeline pursuant to 18 C.F.R. Section 284.284(a). When a sales service agreement between Pipeline and Customer expires, Pipeline is authorized to abandon such sales service without additional abandonment authorization from the FERC.

3. RATE

- 3.1 The rate for service under this Rate Schedule shall be negotiated between Pipeline and Customer, and shall be based on prevailing market-clearing prices.

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RATE SCHEDULE MDS (Continued)
Marketing Division Sales Service

4. TERM

The term provision for service hereunder shall be negotiated between Pipeline and Customer, but shall not exceed 20 years from the execution of the sales service agreement.

5. CURTAILMENT

Service under this Rate Schedule shall be subject to curtailment pursuant to Section 14.3 of the General Terms and Conditions of Pipeline's FERC Gas Tariff.

GENERAL TERMS AND CONDITIONS (Continued)

- (v) The period of time during which Pipeline expects the flow order to remain in effect.

If Pipeline is unable to contact any customer because customer's contact person is unavailable, Pipeline shall take all actions necessary to effectuate such operational flow order and the customer shall be solely responsible for any consequences arising from such failure of communication.

16.4 Posting

Pipeline will post all operational flow orders on its electronic bulletin board. Operational flow orders will remain posted for the entire period they are effective.

16.5 Types of Operational Flow Orders

Pipeline shall have the right to issue operational flow orders for the purposes set forth below:

a) System Maintenance

Pipeline may direct customers under rate schedules FGS, FTS, NNTS, VGS, VTS, IGS, and ITS to increase or decrease receipts of flowing gas at specified receipt points or in specified line segments in order to accommodate required maintenance, either scheduled or unscheduled.

(b) System Operation

- (1) Pipeline may direct customers under rate schedules FGS, FTS, NNTS, VGS, VTS, IGS or ITS to increase or decrease receipts of flowing gas in order to maximize available compressor station horsepower on high demand days, maximize system capacity, maintain proper receipt distribution on its system, or alleviate high system pressures.
- (2) Pipeline may direct customers under rate schedules FGS, FTS, NNTS, VGS, VTS, IGS or ITS to decrease deliveries in the event that delivery pressure at one or more delivery points drops below, or is expected to drop below, reasonable operating limits.

GENERAL TERMS AND CONDITIONS (Continued)

(c) No-Notice Deliveries

Pipeline may direct customers under rate schedules FGS, FTS, VGS, VGTS, IGS or ITS to increase or decrease receipts or deliveries of flowing gas to protect Pipeline's ability to provide no-notice service under rate schedule NNTS.

If an operational flow order is issued for any reason other than those described in the preceding paragraphs (a), (b), and (c), Pipeline will post on its electronic bulletin board and send to the Commission a detailed explanation containing all relevant information specific to that individual situation.

16.6 Compliance

Compliance with operational flow orders issued by Pipeline is essential to Pipeline's ability to provide services under all of its rate schedules. If any customer fails to comply with an operational flow order on the day and time of its effectiveness, Pipeline will notify the customer of such noncompliance as soon thereafter as practicable, and the customer will have one hour, or such lesser time as is appropriate under the circumstances, to comply with the operational flow order. Should such noncompliance persist, Pipeline shall be authorized, pursuant to this Section 16 to act as the customer's agent in making all arrangements which are reasonably necessary to bring the customer into compliance with the operational flow order. If customer and/or customer's supplier, operator or transporter fail to comply with the terms of an operational flow order, such customer shall be liable for any damages including, but not limited to, direct, consequential, exemplary or punitive damages incurred by Pipeline or any other party as a result of such failure.

16.7 Reimbursement

If Pipeline is required to divert gas pursuant to an operational flow order which would otherwise have been delivered to a customer, Pipeline shall pay the recipient of the operational flow order for such quantity of gas at a price per dekatherm equal to the spot market index price for Appalachian production delivered to Columbia Gas Transmission Corporation in Kentucky as published in Inside FERC's Gas Market Report for the month in which

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GENERAL TERMS AND CONDITIONS (Continued)

such diversion occurred. In addition, no imbalance, scheduling, or other penalty will be assessed against a customer whose imbalance is attributable to its own actions or the actions of Pipeline taken in compliance with an operational flow order pursuant to this section. Pipeline shall not otherwise be liable for any charge, loss or damage to the customer as the result of the imposition of an operational flow order.

16.8 Cost Recovery for Operational Flow Orders

Pipeline shall file for Commission approval to recover all costs it incurs in connection with the issuance, operation and termination of any operational flow orders, including such reimbursement costs specified in Section 16.7, and for approval of an allocation and billing methodology for recovery of such costs from customers.

17. NON-WAIVER OF FUTURE DEFAULTS

No waiver by Pipeline of any one or more defaults by a customer in the performance of any provision of these General Terms and Conditions or any provisions of the Service Agreement between Customer and Pipeline shall operate or be construed as a waiver of any future default or defaults, whether of a like or of a different character, for the same or any other customer.

18. MODIFICATION

No modification of the terms and provisions of any Service Agreement shall be or become effective except by the execution of a written contract.

19. NOTICES

Any notice, request, demand, statement or bill provided for in these General Terms and Conditions, and the rate schedule to which they apply or any notice which either Pipeline or Customer may desire to give to the other, shall be in writing and shall be considered as duly delivered when mailed by registered mail to the post office address of Pipeline or Customer or at such other address as either shall designate by formal written notice. Routine communications, including monthly statements and payments, shall be considered as duly delivered when mailed by either registered or ordinary mail. Notices that are submitted or received via the electronic bulletin board must be confirmed in writing or by facsimile as soon thereafter as possible.

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GENERAL TERMS AND CONDITIONS (Continued)

20. ASSIGNMENT

Any company which shall succeed by purchase, merger or consolidation to the properties, substantially or in their entirety, of Pipeline or of Customer, as the case may be, shall be entitled to the rights and shall be subject to the obligations of its predecessors in title under a Service Agreement. Any party may, without relieving itself of its obligations under such Service Agreement, assign any of its rights thereunder to a company with which it is affiliated, but otherwise no assignment of such Service Agreement, or of any of the rights or obligations thereunder shall be made unless there first shall have been obtained the consent thereto of Pipeline, in the event of any assignment by Customer, or the consent thereto of Customer, in the event of any assignment by Pipeline. These restrictions on assignment shall not in any way prevent any party from pledging or mortgaging its rights under a Service Agreement as security of its indebtedness.

21. TERMINATION FOR DEFAULT

If either Seller or Buyer shall fail to perform any of the covenants or obligations imposed upon it or them under and by virtue of a Service Agreement hereunder, then in such event the other party may at its option terminate such Agreement by proceeding as follows: The party not in default shall cause a written notice to be served on the party in default stating specifically the cause for terminating the Agreement and declaring it to be the intention of the party giving the notice to terminate the same; thereupon the party in default shall have thirty (30) days after the service of the aforesaid notice in which to remedy or remove the cause or causes stated in the notice for terminating the Agreement, and if within said period of thirty (30) days the party in default does so remove and remedy said cause or causes and fully indemnify the party not in default for any and all consequences of such breach, by a good and sufficient indemnity bond or otherwise, then such notice shall be withdrawn and the Agreement shall continue in full force and effect. In case the party in default does not so remedy and remove the cause or causes or does not so indemnify the party giving the notice for any and all consequences of such breach, within said period of thirty (30) days, then, after any necessary authorization by regulatory bodies having jurisdiction, the Agreement shall become null and void from and after the expiration of said period, provided that notice of termination has not been withdrawn prior thereto. Any cancellation of such Agreement pursuant to the provisions of this Section shall be without prejudice to the right of Pipeline to collect any amounts then due to it for natural gas delivered prior to the time of cancellation, and without waiver of any remedy to which the party not in default may be entitled for violations of such Agreement.

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GENERAL TERMS AND CONDITIONS (Continued)

22. GOVERNMENTAL REGULATION

These General Terms and Conditions, the Rate Schedules to which they apply, and the respective obligations of the parties to any executed Service Agreement for service thereunder are subject to all present and future valid laws, orders, rules and regulations of duly constituted authorities having jurisdiction.

23. DESCRIPTIVE HEADINGS

The descriptive heading of the provisions of this Gas Tariff are formulated and used for convenience only and shall not be deemed to affect the meaning of construction of any of such provisions.

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GENERAL TERMS AND CONDITIONS (Continued)

24. PREGRANTED ABANDONMENT

24.1 Short Term and Interruptible Agreements

A customer receiving service under a firm service agreement having a primary term of less than one year ("short term firm service agreement") or under an interruptible service agreement retains no right to continued service after the termination of such agreement. Upon termination of a short term or interruptible service agreement, Pipeline shall have all necessary abandonment authorization under the Natural Gas Act as of such termination date, and shall not be required to seek case-specific authorization prior to abandoning service.

24.2 Long Term Agreements -- Right of First Refusal

Service agreements which have a primary term of one year or more and which contain a rollover or evergreen provision are not subject to pre-granted abandonment under this Section 24. A customer receiving service under a firm service agreement having a primary term of one year or more ("long term firm service agreement") which does not contain a rollover provision may avoid pregranted abandonment of service in connection with the termination of its service agreement and continue to receive service by matching the rate and contract term bid by a competing customer in accordance with the procedures described below. If the customer does not satisfy the bid matching requirements of this section, customer shall no longer have a right to continued service as of the effective date of Pipeline's notice of termination. If no other bids are received and the customer does not agree to pay the maximum rate, and Pipeline and the Customer do not otherwise agree on the continuation of service, then the customer shall no longer have a right to continued service as of the effective date of Pipeline's notice of termination. In the event of termination, Pipeline shall have all necessary abandonment authorization under the Natural Gas Act. However, a customer agreeing to pay the maximum rate is entitled to continued service for whatever term it chooses.

24.3 Notice and Posting

At least sixty (60) business days prior to the expiration of a long term firm service agreement, Pipeline will serve on the affected customer a notice of termination advising the customer of the pending termination of its agreement and of the customer's right to retain its service entitlement by matching the rate and contract term bid by a competing customer. At the same time, Pipeline will post the available capacity on its electronic bulletin board, including the quantity available, receipt and delivery points and maximum applicable rate. The notice will remain posted for thirty (30) days until the end of the bidding period.

GENERAL TERMS AND CONDITIONS (Continued)

24.4 Bidding

Potential customers interested in acquiring the service must submit offers to contract for all or part of the available capacity by 5:00 p.m. thirty (30) business days after the capacity is posted to Pipeline's electronic bulletin board. To be valid, a bid must provide all information and data required by Section 11.2 and 11.3 of Pipeline's General Terms and Conditions. In addition, the potential customer must provide a refundable prepayment equal to one month's demand charge based on the quantity desired and the requested price. All bids, including the relevant terms and conditions, will be posted on the electronic bulletin board for review by any party, and the existing customer will be notified by the Pipeline of the relevant terms of all competing bids.

24.5 Best Bid

At the close of the bidding period, Pipeline will evaluate all bids received for completeness, rate acceptability and creditworthiness, and will choose the offer it will accept if the existing customer chooses not to match the offer ("the best bid"). For purposes of this section, the best bid shall be the bid which offers the maximum applicable rate for the full term of the bid which shall not exceed twenty (20) years. If no bidder offers the maximum rate for the full term of the bid, Pipeline may select the best bid based on the maximum revenue over the minimum term of the bid. However, Pipeline shall not be required to accept any offer at less than the maximum rate.

24.6 Matching Offer by Existing Shipper

Pipeline will notify the existing customer of the relevant terms of the best bid. The customer will then have twenty (20) business days to notify Pipeline that it elects to continue service under the rates and terms applicable to the best bid, and agrees to execute a new service agreement reflecting those rates and terms. If the existing customer agrees to match the best bid, Pipeline will refund the prepayments made by all other bidders. Failure to notify within the 20 day period constitutes a non-revocable waiver of customers' right to match the best bid, and will result in the abandonment of service to that customer. If the existing customer chooses not to match the best bid, Pipeline will offer the service to the selected bidder. If, for whatever reason, service is not actually provided pursuant to the bids, Pipeline will report the available capacity on its electronic bulletin board, and the bidding process will repeat.

GENERAL TERMS AND CONDITIONS (Continued)

24.7 No Acceptable Offers

If Pipeline receives no acceptable bids for the available capacity, or if Pipeline receives acceptable bids for only a portion of the capacity, Pipeline and the current customer may negotiate the terms of a new service agreement for the remainder of the available capacity.

25. CAPACITY RELEASE

25.1 Purpose

This Section sets forth the specific terms and conditions which shall apply on a uniform, non-discriminatory basis to the right of firm Part 284 customers paying reservation charges to release capacity entitlements on Pipeline's system.

25.2 Applicability

This Section is applicable to any customer that has executed a service agreement for firm service and is paying a reservation charge under Pipeline's open-access rate schedules. Any such customer shall have the right to release any portion of the firm capacity entitlements it holds provided that the capacity released is acquired by a replacement customer pursuant to the terms of this section.

25.3 General Provisions

Any firm customer is eligible to release its Part 284 capacity for use by a replacement customer subject to the provisions of this Section.

- (i) A releasing customer may release any portion of its capacity up to its Maximum Daily Quantity, and may release capacity for a minimum term of one day up to the remaining term of its firm service agreement.
- (ii) Any replacement customer which has previously contracted for released capacity may also release the capacity to another party as long as the remaining term for the released capacity is for more than one month. While there is no restriction on the number of times capacity can be released, the original terms and conditions of release imposed by the releasing customer, including any right to recall the capacity, will continue to apply to all subsequent releases.

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Original Sheet No. 47 Original Sheet No. 47 : Superseded

GENERAL TERMS AND CONDITIONS (Continued)

- (iii) Any party interested in acquiring capacity through Pipeline's capacity release program must submit all credit information required in Section 11.3 of these General Terms and Conditions and be prequalified before it can submit bids under the capacity release program.
- (iv) Pipeline will enter into a service agreement with the replacement customer prior to the commencement of service which confirms the terms and conditions applicable to the released capacity. A replacement customer acquires all rights and obligations of the releasing customer. If the replacement customer changes primary receipt and delivery points, the releasing customer is at risk as to whether it will be able to regain its original primary points when the capacity is returned. However, the releasing customer may condition its release to prohibit the replacement customer from changing the primary receipt and delivery points specified in the service agreement.
- (v) Irrespective of the release of its capacity, the releasing customer remains bound and liable for performance under its service agreement unless excused in writing by Pipeline. The excuse of performance under a service agreement of a releasing customer shall be at Pipeline's sole discretion, and may be conditioned on the payment of an exit fee and recovery by Pipeline of any amounts due. In making a determination on excuse of performance, Pipeline will exercise its discretion in a non-discriminatory manner. In the case of a permanent release of capacity, the releasing customer will be relieved of liability under its Service Agreement if the replacement customer has agreed to enter into a contract for the remaining term of the releasing customer's service agreement and has agreed to pay the maximum rate.
- (vi) A releasing customer may release capacity on a firm or interruptible basis, but not both simultaneously. If a releasing customer has previously released its capacity on an interruptible basis, it may elect to release the same capacity on a firm basis during the interruptible release term. A firm release will terminate the interruptible release arrangement.

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GENERAL TERMS AND CONDITIONS (Continued)

- (vii) Any specific release conditions requested by a releasing customer must be operationally feasible and be nondiscriminatory to other shippers. Bids on capacity for periods in excess of one month may be contingent on acquisition of downstream capacity.
- (viii) Except as provided in Section 25.7, a bid may be withdrawn after it is on received by Pipeline on Pipeline's electronic bulletin board at any time up to the last day of the bidding cycle. Once a bid from an approved bidder is accepted by releasing customer, it shall be considered a binding agreement. Pipeline will post all completed release transactions on its electronic bulletin board.
- (ix) Bids for released capacity may not exceed the maximum tariff rate for the applicable service set forth in Pipeline's FERC Gas Tariff, as may be changed from time to time.

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GENERAL TERMS AND CONDITIONS (Continued)

25.4 Notice by Releasing Customer

A Releasing Customer that wishes to place capacity up for bid through Pipeline's capacity release program shall submit a notice to Pipeline's electronic bulletin board that it elects to release firm capacity. This notice shall be provided at least five (5) business days prior to the first day of the anticipated release or such lesser time as Pipeline may agree to. For release of capacity of less than one calendar month where the Releasing Customer has prearranged a Replacement Customer and no bidding is required, said notice must be provided as soon as possible, but no later than 48 hours after the release begins. The notice shall set forth the following information:

- (i) Releasing customer's name and the name and title of the individual authorizing the release of capacity;
- (ii) Service Agreement number;
- (iii) The maximum and minimum quantity of firm daily capacity which the releasing customer desires to release;
- (iv) The primary points of receipt and delivery at which the customer will release the capacity and the capacity to be released at each point;
- (v) Whether the release is firm or interruptible, and the conditions on interruption including recall rights;
- (vi) The requested effective date and the term of the release;
- (vii) Whether the releasing customer is willing to consider release for a shorter time period, and the time period that will be considered;
- (viii) Whether the releasing customer is willing to consider releasing capacity at a rate lower than the maximum rate for the applicable service;
- (ix) Whether the releasing customer wants Pipeline to market its released capacity;
- (x) The criteria which Pipeline should apply in determining the "best bid" and any tie-breaker to be applied in the event of equal bids. Said criteria must be objectively stated and non-discriminatory; and
- (xi) The length of the bidding period desired.

GENERAL TERMS AND CONDITIONS (Continued)

25.5 Notice of Pre-arranged Release

If the releasing customer has a pre-arranged replacement customer for the released capacity, it must include in the notice required in Section 25.4 the existence of a pre-arranged replacement customer, the terms of the pre-arranged deal and whether the pre-arranged replacement customer is an affiliate of the releasing customer. If the pre-arranged release is for a term of less than 30 days, the information required under Section 25.4 (vii)- (x) may be omitted.

25.6 Offers to Purchase Capacity

Any party interested in acquiring capacity through Pipeline's capacity release program may provide Pipeline with an offer to purchase capacity. Pipeline will post any such offer on its electronic bulletin board for the period requested by the offering party. Pipeline may recover a fee for such services as prescribed in Section 30.4 of this Tariff.

25.7 Bidding Process

- (a) Pipeline will post the release information on its electronic bulletin board no later than the start of the next business day after its receipt of the notice. The bidding period shall commence on the day that the notice of released capacity is posted. In addition to the information provided by the releasing customer, the posting will specify the deadline for submitting bids on the capacity and any other information relevant to the submission of bids. Such posting will continue for the duration of the bidding period specified in the notice. No prior posting or bidding shall be required for pre-arranged releases of capacity at the applicable maximum rate or for pre-arranged releases which are for a term of less than one calendar month; provided that Pipeline will post a notice of such transactions within 48 hours of the effective date of release.

- (b) Bidding Period

The length of the bidding period for released capacity shall be as specified in the notice provided to Pipeline by the releasing customer, but shall not be less than one (1) business day. All bids must be submitted during the bidding period through the use of Pipeline's electronic bulletin board. Bids which are submitted in some different form or after the bidding period

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Original Sheet No. 50 Original Sheet No. 50 : Superseded

GENERAL TERMS AND CONDITIONS (Continued)

will not be eligible to receive the released capacity.
Each bid for released capacity must contain the following information:

- (i) The term of the proposed acquisition;
- (ii) The maximum rate(s) bidder is willing to pay for the capacity;
- (iii) The volume desired;
- (iv) Whether or not the bidder is an affiliate of the releasing customer or of Pipeline; and
- (v) Any other information requested by the releasing customer in its notice of release.

Any bid must be accompanied by notification to Pipeline of the identity of the bidder, including bidder's legal name, address, and the name and title of the individual responsible for authorizing the bid. If the bid is submitted to the Pipeline for posting by Pipeline, the identity of the bidder will not be revealed during the bidding period. Likewise, if bidder places its bid directly on Pipeline's EBB, it need not provide identity data at such time, but must notify Pipeline concurrently with the placing of the bid as to its identity. Upon the award of capacity, both the winning bid and the name of winning bidder will be posted.

Any bid received by Pipeline during the bidding period shall be binding on the bidder unless rescinded by the bidder prior to the close of the bidding period. Once a bidder has withdrawn its bid, however, it may not submit a new bid for the released capacity at a lower rate, although it may make a new bid at a higher rate.

25.8 Awarding of Released Capacity

Released capacity shall be made available on a nondiscriminatory basis in accordance with the procedures described herein. Within one (1) business day after the close of the bidding period, Pipeline will evaluate all bids received, and select the bid which will receive the released capacity. Initially, Pipeline will eliminate from consideration those bids which do not meet the minimum conditions established by the releasing customer and those bids which have not complied with Pipeline's own creditworthiness criteria. If the releasing customer has provided criteria for determining the "best bid", Pipeline will apply those criteria to determine which bid receives the capacity. If no evaluation criteria have been provided by the

GENERAL TERMS AND CONDITIONS (Continued)

releasing customer, Pipeline will award the released capacity based on the application of the following criteria:

- (i) If there is only one valid bid, Pipeline will award the released capacity to that bidder;
- (ii) If more than one valid bid is received, Pipeline will award the released capacity to the bidder offering the maximum applicable rate for the maximum term specified by the releasing customer;
- (iii) If more than one valid bid is received and none offers the maximum applicable rate for the maximum term, Pipeline will award the capacity to the bid offering the maximum revenue over the minimum term of the release.
- (iv) If two or more equal bids are received, Pipeline will award the capacity on the basis of the tie-breaker criteria provided by the releasing customer. If no tie-breaker criteria are provided by the releasing customer, then capacity will be awarded on the basis of a lottery to be held within two (2) business days of the close of the bidding period. After giving notice of one (1) business day, Pipeline will conduct a lottery on a nondiscriminatory basis and the effected parties will have the right to attend. Capacity shall be awarded on the basis of draw on an all or nothing basis.

25.9 Right of First Refusal

In the case of a pre-arranged bid, if the bid submitted by a subsequent bidder exceeds the value of the bid submitted by the pre-arranged replacement customer, the pre-arranged replacement customer will be given the opportunity to match the terms of the subsequent bid. Within one (1) business day of the close of the bidding period, Pipeline will notify the releasing customer and the pre-arranged replacement customer of the terms of the better bid. The pre-arranged replacement customer will then have one (1) business day to match those terms. Otherwise, the capacity will be awarded to the other bidder.

25.10 Capacity Not Released

The releasing customer shall retain all of the capacity that is not acquired by a replacement shipper as the result of the bidding process or a pre-arranged deal.

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Original Sheet No. 52 Original Sheet No. 52 : Superseded

GENERAL TERMS AND CONDITIONS (Continued)

25.11 Execution of Agreements

Pipeline's acceptance of a bid shall constitute a binding agreement between Pipeline and the releasing customer under which the releasing customer releases the capacity described in the accepted bid and a binding agreement between Pipeline and the replacement customer under which the replacement customer acquires those rights of the releasing customer that are described in the accepted bid. No later than one (1) business day after awarding the capacity, Pipeline will provide the replacement customer with a service agreement for the capacity awarded. The replacement customer will be required to execute and return to Pipeline a service agreement reflecting the terms of the released capacity. The executed service agreement must be returned to Pipeline within one (1) day after it is received or the agreement will terminate. Once the service agreement has been executed the terms of such agreement are not subject to amendment. At the election of Pipeline, the releasing customer shall promptly execute such further documents as may be necessary to evidence its release of capacity. Pipeline shall not be obligated to initiate service to the replacement customer until all documents necessary to effectuate the release are executed and returned to Pipeline.

25.12 Notice of Completed Transaction

Within two (2) business days after capacity has been awarded pursuant to this Section and the service agreement has been executed by the replacement customer, Pipeline will post a notice of completed transaction containing the following information:

- (i) term of release;
- (ii) price(s) as bid;
- (iii) primary receipt and delivery points;
- (iv) quantity in Dth;
- (v) whether the capacity is firm and whether it is subject to recall.

GENERAL TERMS AND CONDITIONS (Continued)

25.13 Obligations of Releasing Customer

The releasing customer shall continue to be responsible and liable for its obligations under the service agreement, unless said obligations are expressly waived by Pipeline. Without limitation, these obligations include the following:

- (i) The releasing customer shall continue to be liable for all demand or reservation and other non-usage related charges owing under its service agreement up to the maximum rate specified in the service agreement, including, but not limited to any demand or reservation surcharge assessed by Pipeline for the purpose of recovering Order No. 636 transition costs in accordance with Section 31 of this tariff.
- (ii) Except as provided in Section 25.3(v) pertaining to a permanent release, Pipeline shall have the right to seek performance directly from the releasing customer with respect to the obligations owed by it to Pipeline after Pipeline's attempt to seek performance from the replacement customer under any new service agreement.
- (iii) Each releasing customer agrees to protect and indemnify Pipeline against, and to release and hold harmless against, any loss, liability or expense (including, without limitation, court costs and attorneys' fees) incurred or suffered by Pipeline or such releasing customer arising out of or in connection with the provisions of this Section 25 except for losses, damages or expenses caused solely by Pipeline's own negligence or willful misconduct.
- (iv) Pipeline shall credit the bill of the releasing customer (or secondary releasing customer, if applicable) an amount each month equal to the reservation charges or other such costs attributable to the capacity rights released by the releasing customer; provided however, Pipeline shall have the right to reverse such credit in the next monthly bill if the replacement customer that acquires releasing customer's capacity fails to pay such amounts billed to it on a timely basis in accordance with Pipeline's payment provision set forth in Section 7.

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Original Sheet No. 54 Original Sheet No. 54 : Superseded

GENERAL TERMS AND CONDITIONS (Continued)

25.14 Obligations of Replacement Customer

By executing a service agreement for released capacity, the replacement customer agrees that it will comply with the terms and conditions of Pipeline's certificate of public convenience and necessity authorizing this capacity release program and the terms and conditions of Pipeline's FERC Gas Tariff.

- (i) The replacement customer agrees to indemnify Pipeline against and to release and hold Pipeline harmless against any loss, liability or expense (including, without limitation, court costs and attorneys fees) incurred or suffered by Pipeline or the replacement customer arising out of or in connection with the provisions of this section, except for losses, damages or expenses caused solely by Pipeline's own negligence or willful misconduct.
- (ii) The replacement customer shall be liable for the portion of the demand or reservation charges specified in its service agreement, along with all commodity related charges applicable to its service utilization, and all applicable penalties. Pipeline will bill the replacement customer on a monthly basis and the replacement customer shall make payment in accordance with Sections 6 and 7 of these General Terms and Conditions.

25.15 Marketing Fee

Pipeline will charge a marketing fee to be negotiated between Pipeline and the releasing customer where Pipeline successfully markets the released capacity on the releasing customer's behalf.

26. MARKET CENTERS

Nothing in Pipeline's FERC Gas Tariff shall operate to inhibit the development of market centers on Pipeline's system. Pipeline will permit market centers to develop at the points of interconnection between other pipelines or other LDC systems. Any aggregator of gas supply contracts on Pipeline's system must adhere to the nominations procedures and other terms and conditions of Pipeline's FERC Gas Tariff, and pay the fees and charges associated with their service as may be revised from time to time.

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GENERAL TERMS AND CONDITIONS (Continued)

27. RATES FOR GATHERING, TRANSPORTATION AND SALES SERVICES

The following rates for gathering, transportation and sales services under the indicated Rate Schedules shall apply and may be adjusted from time to time. Pipeline may, in its sole discretion, agree to discount gathering or transportation rates between the maximum rate and the minimum rate. Any amounts related to surcharges to recover costs identified in Sections 28, 29, and 31 are in addition to the rates contained in this section:

Tariff Rates (1)	Total Effective Rate \$/dth (2)
Transportation and Gathering Services	
1. RATE SCHEDULE - TS-1	\$.6335
2. RATE SCHEDULE - FGS (Firm Gathering)	
(a) Maximum Rate	
Reservation Charge	\$ 11.4347
Commodity Charge - per dth	\$.0013
(b) Minimum Rate	
Commodity Charge - per dth	\$.0013
3. RATE SCHEDULE - FTS (Firm Transportation)	
(a) Maximum Rate	
Reservation Charge	\$ 6.7597
Commodity Charge - per dth	\$.0341
(b) Minimum Rate	
Commodity Charge - per dth	\$.0341
4. RATE SCHEDULE - IGS (Interruptible Gathering)	
(a) Maximum Rate	
Commodity Charge - per dth	\$.3772
(b) Minimum Rate	
Commodity Charge - per dth	\$.0013

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FERC Docket: RS92- 18-002

Original Sheet No. 55 Original Sheet No. 55 : Superseded

GENERAL TERMS AND CONDITIONS (Continued)

Tariff Rates (1)	Total Effective Rate \$/dth (2)
5. RATE SCHEDULE - ITS (Interruptible Transportation)	
(a) Maximum Rate	
Commodity Charge - per dth	\$.2563
(b) Minimum Rate	
Commodity Charge - per dth	\$.0341
6. RATE SCHEDULE - VGS (Volumetric Gathering)	
(a) Maximum Rate	
Commodity Charge - per dth	\$.4221
(b) Minimum Rate	
Commodity Charge - per dth	\$.0013
7. RATE SCHEDULE - VTS (Volumetric Transportation)	
(a) Maximum Rate	
Commodity Charge - per dth	\$.2828
(b) Minimum Rate	
Commodity Charge - per dth	\$.0341
8. RATE SCHEDULE - NNTS (No-Notice Transportation)	
Commodity Charge - per dth	\$.25 plus cost of gas
Sales Services	
9. RATE SCHEDULE - SSS (Small System Sales)	See Rate Schedule
10. RATE SCHEDULE - MDS (Marketing Division Sales)	See Rate Schedule

Note: In addition to the charges stated above, the following levels of retainage must be added:

gathering only:	3.40%
transportation only:	6.22%
combined gathering and transportation:	6.39%

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Original Sheet No. 56 Original Sheet No. 56 : Superseded

GENERAL TERMS AND CONDITIONS (Continued)

28. GAS RESEARCH INSTITUTE FUNDING CHARGE FOR RESEARCH, DEVELOPMENT AND DEMONSTRATION ACTIVITIES

28.1 Purpose

The Pipeline has joined with other gas enterprises in the formation of, and participation in the activities and financing of Gas Research Institute (GRI), an Illinois not for profit corporation. GRI has been organized for the purpose of sponsoring Research, Development and Demonstration (RD&D) programs in the field of natural and manufactured gas for the purpose of assisting all segments of the gas industry in providing adequate, reliable, safe, economic and environmentally acceptable gas service for the benefit of gas consumers.

For the purpose of funding for GRI's approved expenditures, this Section establishes as part of the Pipeline's rate a charge for RD&D by GRI, said charge to be recovered by a funding charge adjustment provision applicable to Pipeline's Rate Schedules ITS, IGS, VTS, VGS, FTS and FGS, provided, however, that such funding charge for RD&D by GRI shall not be applicable to Customers which are interstate pipelines and which include in their rates a charge for RD&D by GRI. Customers with both gathering and transportation services will be billed the GRI charge on only one service.

28.2 Basis for the GRI Charge

The Rate Schedules ITS, IGS, VTS, VGS, FTS and FGS specified in Section 28.1 hereof shall include a GRI Funding Charge Adjustment Provision for such RD&D activities by GRI. The unit rate of such charge shall be the amount, adjusted to Company's pressure base and heating value, if required, which has been approved by Federal Energy Regulatory Commission orders approving GRI's RD&D expenditures. The current effective GRI charge is \$0.0147 per dth on all applicable nondiscounted commodity units and nondiscounted one-part rates for transportation service. Additionally, there will be an \$.08 per dth per month demand or reservation surcharge on all firm delivery entitlements.

28.3 Filing Procedure

The Gas Research Institute Funding Charge Adjustment Provision may be placed into effect upon not less than 30 days notice unless, for good cause shown, a lesser notice period is allowed by valid FERC order. Any such filing shall not become effective unless it becomes effective without suspension or refund obligation.

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Original Sheet No. 57 Original Sheet No. 57 : Superseded

GENERAL TERMS AND CONDITIONS (Continued)

28.4 Remittance to GRI

Pipeline shall remit to GRI, not later than thirty (30) days after the receipt thereof, all monies received from the GRI Funding Charge Adjustment, less any amounts properly payable to a federal, state, or local authority relating to the monies received hereunder.

29. FEDERAL ENERGY REGULATORY COMMISSION ANNUAL CHARGE ADJUSTMENT PROVISION

29.1 Purpose

Section 3401 of the Omnibus Budget Reconciliation Act of 1986 provides that the Federal Energy Regulatory Commission (FERC) establish an annual charge for each fiscal year ending September 30, in an amount equal to costs incurred to operate the Federal Energy Regulatory Commission for the fiscal year.

For the purpose of funding of Federal Energy Regulatory Commission costs incurred in any fiscal year, this Section establishes as part of Pipeline's rates an Annual Charge Adjustment (ACA) Provision to be applicable to the Pipeline's Rate Schedules ITS, IGS, VTS, VGS, FTS, FGS and TS-1. The Pipeline does not intend to recover any annual charges recorded in FERC Account No. 928 in a Natural Gas Act Section 4 rate case. Customers with both gathering and transportation services will be billed the ACA charge on only one service.

29.2 Basis of the Annual Charge Adjustment

The Rate Schedules ITS, IGS, VTS, VGS, FTS, FGS and TS-1 specified in Section 29.1 hereof shall include an increment for an Annual Charge Adjustment (ACA) for Federal Energy Regulatory Commission costs. The unit rate of such charge shall be that amount, adjusted to the Pipeline's pressure base and heating value, if required, which has been specified by the Federal Energy Regulatory Commission each year. The current effective Annual Charge Adjustment is \$.0023 per Mcf (\$.0021 per dth as converted on Pipeline's system).

29.3 Filing Procedures

The Annual Charge Adjustment Provision may be placed into effect upon not less than 30 days notice unless, for good cause shown, a lesser notice period is allowed by valid Commission order.

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Original Sheet No. 58 Original Sheet No. 58 : Superseded

GENERAL TERMS AND CONDITIONS (Continued)

30. ELECTRONIC BULLETIN BOARD

30.1 AVAILABILITY

The electronic bulletin board system is available on a non-discriminatory basis to any party which (1) has compatible equipment for the electronic transmission of data, (2) elects to pay the required subscription fee, if any, and (3) agrees to abide by the established procedures for access and use of the system. Pipeline will provide equal and timely access to any information posted on the Pipeline's electronic bulletin board.

30.2 System Description

The electronic bulletin board system offers interactive services including an on-line help function, a search function that permits users to locate all information concerning a specific transaction and menus which are organized by subject matter and contain chronologically organized information. The system permits users to electronically down-load data from the bulletin board to their own equipment. Pipeline will maintain daily back-up records of the information displayed on the electronic bulletin board to be archived for three years, and will permit users to review these records on request or obtain the archived material in an electronic format for a fee reflecting Pipeline's cost of providing the data. Requests for archived material can be placed through the bulletin board. Pipeline will periodically purge transactions from system files after transactions are completed.

30.3 System Capabilities

Upon subscribing to the Pipeline's electronic bulletin board, a user will have the capability to utilize the system for the following purposes:

- (i) Submit requests for service under Pipeline's transportation rate schedules;
- (ii) Execute and amend service agreements and review all contracts with replacement shippers offering the best bid;
- (iii) Tender nominations relating to existing service entitlements;

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FERC Docket: RS92- 18-002

Original Sheet No. 59 Original Sheet No. 59 : Superseded

GENERAL TERMS AND CONDITIONS (Continued)

- (iv) Review the availability of capacity at mainline receipt and delivery points on Pipeline, including the availability of capacity for service under any of Pipeline's rate schedules, whether the capacity is available from Pipeline directly, through the capacity release program, or upon termination of a long-term agreement;
- (v) To allow releasing shippers to directly post offers and bidders to directly post bids for released capacity, or review bids submitted by other parties; all bids for released capacity or requests for Pipeline capacity will be recorded by date and time of day of receipt, but capacity will be awarded based on the earliest executed service agreement;
- (vi) Submit a bid for available capacity under expiring long term contracts, or review bids submitted by other parties;
- (vii) Review Pipeline's interruptible and firm transportation queues;
- (viii) Review Pipeline's FERC Gas Tariff, including current rates for all rate schedules;
- (ix) Review a compilation of total capacity on Pipeline, the availability of capacity on both a firm and interruptible basis, and review primary capacity entitlements at each delivery point on the Pipeline's system;
- (x) Make request for archived material from Pipeline in an electronic format; and
- (xi) Receive information concerning the issuance, operation and termination of any operational flow order as provided in Section 16.

30.4 Charges

Pipeline reserves the right to recover through a separate Section 4(e) rate filing any and all fixed costs associated with the implementation of its electronic bulletin board. Pipeline reserves the right to file for the implementation of a separately-stated usage fee to cover the variable costs of usage from those persons using the electronic bulletin board.

30.5 Confidentiality

Any authorized user of the electronic bulletin board system may make copies, in electronic or other form, of the information contained on the system for its own use only, and may not publish, broadcast, reveal, or sell any information obtained from the

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Original Sheet No. 60 Original Sheet No. 60 : Superseded

GENERAL TERMS AND CONDITIONS (Continued)

system without the prior written authorization of Pipeline. No employee or agent of Pipeline will disclose to any third party any information concerning research performed through the use of the electronic bulletin board system.

31. RECOVERY OF TRANSITION COSTS

31.1 Purpose

This section sets forth the mechanisms for recovery by Pipeline of the various types of transition costs identified for pipeline recovery under Part 284 of the Commission's Regulations.

31.2 Costs to be Recovered

(a) Account 191 Costs

On the date that Pipeline's compliance filing tariff sheets, including this Section 31, become effective, Pipeline will terminate its PGA and the net balance remaining in Pipeline's Account 191 on such date will be recovered or refunded through a surcharge or credit applicable to Pipeline's converting Rate Schedules PLS and GSS customers based upon each customer's average level of purchases during the twelve-month period ending April 8, 1992.

As an option to the surcharge, any customer owing Pipeline a balance in excess of \$25,000 may elect to pay such amounts over a twenty-four month period. Interest shall accrue on the unpaid balance at the rate computed using the factors specified in Section 157.67 of the Commission's regulations until such time as the full amount due has been paid.

From the date of termination of its PGA, Pipeline will have a nine-month reconciliation period to determine the final balance in Account No. 191. Any underrecoveries determined after such nine-month period will not be recoverable. All refunds received, however, even if after the termination of Pipeline's PGA, will be refunded to the customers that were subject to the surcharge or credit.

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GENERAL TERMS AND CONDITIONS (Continued)

(b) Gas Supply Realignment Costs

Gas supply realignment costs are those costs incurred by Pipeline in reforming or terminating its existing gas supply contracts in connection with its transition to an unbundled transporter of natural gas under Order No. 636. Pipeline shall be entitled to file a limited Section 4 filing under the Natural Gas Act to collect 100% of its actual prudently incurred gas supply realignment costs after the effective date of this Section 31. Ninety percent (90%) of such prudently incurred costs shall be recovered through a reservation surcharge assessed against Part 284 firm service customers, and allocated on the basis of each customer's currently effective maximum daily contract quantity entitlement subject to adjustment as such entitlements are changed during the period in which the surcharge will be in effect. Ten percent (10%) of such costs shall be recovered from Part 284 interruptible service customers through interruptible rates as a cost of providing such service.

(c) New Facilities Costs

New facilities costs are those costs incurred by Pipeline in expanding and upgrading its facilities in order to meet the operational and service requirements of Order No. 636. Pipeline shall be entitled to file a general Section 4 filing under the Natural Gas Act to collect 100% of its new facilities costs after the effective date of this Section.

(d) Stranded Costs

Stranded costs are those costs incurred by Pipeline in connection with its former bundled sales services which cannot be included in the base rate applicable to the new unbundled services which Pipeline is required to offer under Order No. 636. Pipeline shall be entitled to file a general Section 4 filing under the Natural Gas Act to collect 100% of its stranded costs after the effective date of this Section.

Effective Date: 07/01/1993 Status: Effective

FERC Docket: RS92- 18-002

Original Sheet No. 61 Original Sheet No. 61 : Superseded

GENERAL TERMS AND CONDITIONS (Continued)

32. ORDER NO. 497 COMPLIANCE PROCEDURES

32.1 General Application

All terms and conditions contained in this tariff shall be applied in a uniform and non-discriminatory manner without regard to the affiliation of any entity to Pipeline. Furthermore, no preference is afforded to any affiliate of Pipeline for transportation services which Pipeline provides.

32.2 Shared Facilities and Employees

Pipeline will share with an affiliated interstate pipeline, Equitrans, Inc., in the cost of establishing a pipeline marketing division. Employees of that marketing division will be acting as agents for Pipeline's marketing function. These agents will be organized into a separate operational unit whose access to other operational units of the Pipeline shall be restricted to the extent necessary to prohibit preferential treatment. Employees assigned to the pipeline marketing unit shall work exclusively for that unit, and no employees will be shared between the pipeline marketing unit and the other operating units of Pipeline. The pipeline marketing division will be self-supporting. No subsidy from Pipeline's regulated services will be provided to the marketing division. Other than telephone, photocopying, facsimile, and computer equipment, no facilities will be shared between the pipeline marketing unit and the other operating units of Pipeline. Computer equipment will be password protected to ensure operational separation and restricted access to confidential information.

33. PROCEDURE FOR ADDRESSING TRANSPORTATION COMPLAINTS

Any Customer or potential Customer that has requested transportation or gathering service pursuant to Section 11 of Pipeline's General Terms and Conditions and has not been granted such service or is dissatisfied with such service shall notify Pipeline's General Counsel, 3500 Park Lane, Pittsburgh, PA 15275, in writing, of any complaint it has concerning the denial, or performance, of such service. The complaint may be made orally or in writing, and Pipeline shall respond initially to the complaint within 48 hours by telephone. Within five (5) business days of receiving such complaint, Pipeline shall provide a written response to the Customer or potential Customer explaining the basis for the action complained of and detailing what additional steps, if any, will be taken by Pipeline concerning the complaint. If the response is not satisfactory to the Customer, or potential Customer, Pipeline shall, upon request, arrange for an informal meeting of representatives of the two companies to attempt to resolve any outstanding differences.

Effective Date: 07/01/1993 Status: Effective

FERC Docket: RS92- 18-002

Original Sheet No. 61A Original Sheet No. 61A : Superseded

GENERAL TERMS AND CONDITIONS (Continued)

34. RECOVERY OF NATURAL GAS POLICY ACT PRICES

Former Rate Schedules PLS-1 and GSS-1 customers will still be subject to the provisions of Volume 3 of Pipeline's FERC Gas Tariff, which sets forth the various settlement agreements with the Rate Schedules PLS-1 and GSS-1 customers identified therein arising out of Public Service Commission of New York v FERC, 463 U.S.319 (1983) and Kentucky West Virginia Gas Co. v FERC, 780 F.2d 1231 (5th Cir. 1986).

35. DETERMINATION OF DELIVERIES AND IMBALANCES

35.1 Determination of Deliveries. Pipeline will attempt to determine the actual imbalance ascribable to each service agreement to the greatest extent possible. If gas delivered by Pipeline into the facilities of any customer is applicable to more than one service agreement and Pipeline cannot ascribe the actual imbalance to each individual service agreement, Pipeline will attribute the total volumes of gas delivered to any customer to each service in the following sequence as applicable:

- (i) the volume of gas scheduled for delivery by the customer under the customer's no-notice service agreement;
- (ii) the volume of gas scheduled for delivery by the customer under the customer's other firm service agreements;
- (iii) the volume of gas scheduled for delivery under the customer's interruptible service agreements.

35.2 Customer's Responsibility. It is the responsibility of the customer to provide accurate and timely nominations of quantities proposed to be received and delivered by Pipeline under each of the customer's service agreements; to maintain equality between quantities actually taken by the customer and the customer's scheduled quantities under each service agreement, and to maintain a concurrent balance between receipts and deliveries under each service agreement.

35.3 Resolution of Imbalances. If a customer incurs either an overage or an underage in takes from Pipeline due to a failure to deliver to Pipeline or receive from Pipeline the quantity of gas which it is required to receive or deliver, penalties may be applied as described in this section. If a customer has more than one service agreement with Pipeline and it is not otherwise determinable under which service agreement the imbalance occurred, all imbalances will be applied to the service agreement which is last in the determination of deliveries under Section 35.1.

Effective Date: 07/01/1993 Status: Effective

FERC Docket: RS92- 18-002

Original Sheet No. 61B Original Sheet No. 61B : Superseded

GENERAL TERMS AND CONDITIONS (Continued)

a. Monthly Imbalances

Operating conditions may, from time to time, cause a temporary and unintentional imbalance between the total dth of natural gas that Seller receives under the executed Service Agreement and the quantities of natural gas that Seller delivers under the executed Service Agreement. Seller and Buyer shall cooperate to eliminate any such imbalances. As soon as practicable Seller shall notify Buyer of such imbalance and the necessity to take corrective action within the next 48 hours. If necessary to protect the integrity of its system, Seller may require Buyer to take corrective action within less than 48 hours. In the event Buyer fails to take corrective action within 45 days from the end of the 48 hour notification period, Buyer shall be subject to the following monthly imbalance charge provisions:

1. **Overdelivery Penalty:** Pipeline will notify Customer within 15 days after the end of any billing month in which Customer delivered or caused to be delivered more than 104% of the quantity of gas than was taken from Pipeline on Customer's behalf. In the event Customer fails to take or cause to be taken within 45 days of notification a quantity of gas sufficient to balance deliveries to Pipeline with the quantities taken from Pipeline, an imbalance shall be imposed. The imbalance penalty shall be the retention by Seller at no cost and free and clear of any adverse claims of any remaining net balance of overdeliveries in excess of 104% existing at the end of said 45 day period.
2. **Underdelivery Penalty:** Pipeline will notify Customer within 15 days after the end of any billing month in which Customer took or caused to be taken from Pipeline quantities which exceed by more than four percent the quantities received by Pipeline pursuant to the provisions of Section 13 of the General Terms and Conditions of this FERC Gas Tariff. In the event Customer fails to deliver or cause to be delivered within 45 days of notification a quantity of gas sufficient to balance deliveries to Pipeline with the quantity taken from Seller, an imbalance penalty shall be imposed of \$10/dth multiplied by the remaining net balance of underdeliveries in excess of four percent which exists at the end of the 45 day period.

Effective Date: 07/01/1993 Status: Effective

FERC Docket: RS92- 18-002

Original Sheet No. 61C Original Sheet No. 61C : Superseded

GENERAL TERMS AND CONDITIONS (Continued)

It is Pipeline's intention to operate without having to impose imbalance penalties. Therefore, Pipeline will waive imbalance penalties so long as the Customer is making reasonable effort to balance receipts and deliveries and has attempted to work with Pipeline to alleviate the imbalances. Additionally, no imbalance penalties will be assessed against Customer delivering gas on-system (i.e., at primary delivery points in Kentucky) so long as the Customer designates a secondary delivery point and recipient of gas at the Columbia Gas Transmission interconnects who will be responsible for any excess volumes transported on Pipeline and not delivered at the primary delivery point.

b. Disposition of Penalties or Cash Out Amounts

Any net penalty revenue received under (a)(1) from affiliated companies of Pipeline will be credited on a prospective basis to firm customers in proportion to their contract quantity. Any net cash out revenue will be credited to customers in the form of a negative surcharge on firm and interruptible service rates.

36. EXIT FEES

36.1 Upon the effective date of this Tariff, any Customer that desires to reduce or terminate any capacity entitlement it holds on Pipeline's system may do so upon payment of an exit fee. Pipeline will permit the negotiation of an exit fee in the event no other party equals or betters the current Customer's rate or no bids are made and the current customer wants to be released from the capacity prior to the end of its service agreement. However, if another party bids for the capacity at a rate equal to or higher than the current customer's rate, up to the maximum rate, Pipeline will release the current customer if it does not wish to retain the capacity.

36.2 For any exit fee payable under this Section 36, Pipeline shall issue a bill for the amount of the negotiated exit fee. The entire amount of the bill shall be payable ten (10) days after receipt of the bill and interest shall accrue on all amounts not paid when such amounts become payable, at the rate computed using the factors specified in Section 157.67 of the Commission's regulations, until such time as the full amount has been paid.

Any Customer liable for the payment of an exit fee under this Section 36 may elect to pay the exit fee amortized over a period of

Effective Date: 07/01/1993 Status: Effective
FERC Docket: RS92- 18-002

Original Sheet No. 61D Original Sheet No. 61D : Superseded

GENERAL TERMS AND CONDITIONS (Continued)

up to twenty four months by making monthly payments, each of which shall be equal to a corresponding fraction of the amount of the exit fee. Carrying charges shall accrue on all unpaid amounts at the rate computed using the factors specified in Section 157.67 of the Commission's regulations. Any Customer electing to amortize payments must make such election within five days of receipt of the bill and must specify the desired amortization period. In the event of an election to amortize the exit fee, any Customer may, at any time prior to the end of the amortization period, pay the entire amount of its unpaid balance to Pipeline with no further obligation for carrying charges.

37. INTERRUPTIBLE REVENUE SHARING

The fixed cost components of the rates set forth on Rate Schedules IGS and ITS in Section 27 are:

IGS - \$0.3759/dth

ITS - \$0.2222/dth

The total fixed costs allocated to such interruptible services in the design of such rates is \$7,788,355. To the extent that Pipeline receives revenues derived from the fixed cost components of such rates in excess of \$7,788,335, during the first year of operation under such schedules, and each succeeding year, ninety percent (90%) of such excess revenues shall be distributed to Pipeline's firm Customers in direct proportion to payments received from such firm Customers through reservation charges under Rate Schedules FGS and FTS for said first year of operation and each succeeding year. The remaining 10% of such excess shall be retained by Pipeline together with all other interruptible revenues.

The distribution of the 90% of the excess revenue shall be made on or before 90 days after the end of the year involved.

Effective Date: 07/01/1993 Status: Effective
FERC Docket: RS92- 18-002

Original Sheet No. 62 Original Sheet No. 62 : Superseded

FORM OF SERVICE AGREEMENT
FOR RATE SCHEDULE VGS

THIS AGREEMENT, made and entered into this _____ day of _____, 19_____, by and between KENTUCKY WEST VIRGINIA GAS COMPANY, a West Virginia corporation (hereinafter called "Pipeline"), and _____ (hereinafter called "Customer", whether one or more);

WITNESSETH:

WHEREAS, Pipeline is willing to provide and Customer is willing to purchase gathering service subject to the terms and conditions contained in Pipeline's FERC Gas Tariff and as hereinafter set forth.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements herein contained, the parties do covenant and agree as follows:

ARTICLE I. SCOPE OF AGREEMENT

Subject to the terms, conditions and limitations hereof and of Pipeline's Rate Schedule VGS, Pipeline agrees to receive at the points of receipt specified herein from or for the account of Customer for volumetric firm gathering of natural gas within the following quantity:

Maximum Annual Quantity - _____ dth

Maximum Daily Quantity - _____ dth

Pipeline agrees to deliver to or for the account of Customer and Customer agrees to acceptance of delivery of an equivalent quantity less retainage, on a heating value basis, at the points of delivery specified herein. Pipeline shall have the right to issue an operational flow order directly to any supplier, operator, transporter or owner of Customer's gas. *(By executing this Service Agreement, Customer is agreeing to designate Pipeline as its agent under Section 16.2 of Pipeline's Tariff to act as necessary under any operational flow order.) *(to be added only if Customer desires Pipeline to act as its agent)

ARTICLE II. TERM OF AGREEMENT

The Term of this Agreement shall commence on _____ and shall continue in effect until _____ and shall continue thereafter until terminated either by Pipeline or by Customer upon twelve (12) months' prior written notice to the other specifying a termination date at the end of such period or any yearly period thereafter.

Effective Date: 07/01/1993 Status: Effective
FERC Docket: RS92- 18-002

Original Sheet No. 63 Original Sheet No. 63 : Superseded

FORM OF SERVICE AGREEMENT
FOR RATE SCHEDULE VGS (Continued)

ARTICLE III. RATE SCHEDULE

Customer shall pay Pipeline, for all service rendered hereunder in the period stated, prices established under Pipeline's Rate Schedule VGS as filed with the Federal Energy Regulatory Commission, and as same may hereafter be legally amended or superseded. Pipeline shall have the right from time to time, by the filing of a revised rate schedule to increase or decrease rates, to change the form of the applicable rate schedule and to take such other further action with respect thereto without further consent by Customer, and such changes in rates and other changes shall become the Rate Schedule and Terms and Conditions under which the gas shall be transported hereunder. Customer shall have the right to oppose any of the foregoing and to request reduction in rates to the extent that Customer is legally permitted to do so under the Natural Gas Act. This Agreement in all respects shall be and remain subject to the applicable provisions of said Rate Schedule(s) and of the General Terms and Conditions of Pipeline on file with the Federal Energy Regulatory Commission, all of which are by this reference made a part hereof.

ARTICLE IV. POINTS OF RECEIPT AND DELIVERY

Natural gas to be received by Pipeline from or for the account of Customer for gathering hereunder shall be received at the inlet side of the measuring station(s) at or near the following designated points of receipt and natural gas to be delivered by Pipeline to or for the account of Customer hereunder shall be delivered at the outlet side of the measuring station(s) at or near the following designated points of delivery, with the maximum daily receipt and delivery obligations and delivery pressure indicated for each of such points of receipt and points of delivery:

Points of Receipt	Pipeline's Maximum Daily Receipt Obligation (dth)	Customer's Delivery Pressure
		Sufficient to enter Pipeline's system, but not in excess of Pipeline's maximum allowable operating pressure of _____ psig.
Points of Delivery	Pipeline's Maximum Daily Delivery Obligation (dth)	Pipeline's Delivery Pressure
		Such pressure as may exist on Pipeline's system, but not in excess of Pipeline's maximum allowable operating pressure of _____ psig.

Effective Date: 07/01/1993 Status: Effective
FERC Docket: RS92- 18-002

Original Sheet No. 64 Original Sheet No. 64 : Superseded

FORM OF SERVICE AGREEMENT
FOR RATE SCHEDULE VGS (Continued)

ARTICLE V. NOTICES

Notices to either party shall be sent by United States mail or Western Union telegram addressed as follows:

- (a) Kentucky West Virginia Gas Company
3500 Park Lane
Pittsburgh, PA 15275
Attn: Transportation Dept.

(b)

Either party may change its address under this Article by written notice to the other party.

ARTICLE VI. CANCELLATION OF PRIOR CONTRACTS

This Agreement supersedes and cancels, as of the effective date of this Agreement, the contract(s) between the parties hereto for the sale and delivery of gas by Pipeline to Customer, as described below:

ARTICLE VII. CONTROLLING LAW

The interpretation and performance of any service agreement under this Rate Schedule shall be in accordance with the laws of the Commonwealth of Kentucky, without recourse to the principles of conflict of laws.

ARTICLE VIII. SUCCESSORS AND ASSIGNS

Either Pipeline or Customer may assign or otherwise transfer its interest in this Agreement to its corporate parent, affiliate, or subsidiary or to any person or corporation which shall succeed by purchase, merger, consolidation or otherwise, to the properties of Buyer or Seller substantially as an entirety. Otherwise, neither party may assign this Agreement nor any of its obligations hereunder unless it shall first have obtained the consent thereto in writing of the other party.

Effective Date: 07/01/1993 Status: Effective

FERC Docket: RS92- 18-002

Original Sheet No. 65 Original Sheet No. 65 : Superseded

FORM OF SERVICE AGREEMENT
FOR RATE SCHEDULE VGS (Continued)

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their respective Presidents or Vice Presidents thereunto duly authorized and their respective corporate seals to be hereto affixed and attested by their respective Secretaries or Assistant Secretaries, the day and year first above written.

ATTEST: KENTUCKY WEST VIRGINIA GAS COMPANY

_____ By _____

ATTEST:

_____ By _____

Effective Date: 07/01/1993 Status: Effective
FERC Docket: RS92- 18-002

Original Sheet No. 65A Original Sheet No. 65A : Superseded

FORM OF SERVICE AGREEMENT
FOR RATE SCHEDULE VTS

THIS AGREEMENT, made and entered into this _____ day of _____, 19_____, by and between KENTUCKY WEST VIRGINIA GAS COMPANY, a West Virginia corporation (hereinafter called "Pipeline"), and _____ (hereinafter called "Customer", whether one or more);

WITNESSETH:

WHEREAS, Pipeline is willing to provide and Customer is willing to purchase gathering service subject to the terms and conditions contained in Pipeline's FERC Gas Tariff and as hereinafter set forth.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements herein contained, the parties do covenant and agree as follows:

ARTICLE I. SCOPE OF AGREEMENT

Subject to the terms, conditions and limitations hereof and of Pipeline's Rate Schedule VTS, Pipeline agrees to receive at the points of receipt specified herein from or for the account of Customer for volumetric firm transportation of natural gas within the following quantity:

Maximum Annual Quantity - _____ dth

Maximum Daily Quantity - _____ dth

Pipeline agrees to deliver to or for the account of Customer and Customer agrees to acceptance of delivery of an equivalent quantity less retainage, on a heating value basis, at the points of delivery specified herein. Pipeline shall have the right to issue an operational flow order directly to any supplier, operator, transporter or owner of Customer's gas. *(By executing this Service Agreement, Customer is agreeing to designate Pipeline as its agent under Section 16.2 of Pipeline's Tariff to act as necessary under any operational flow order.) *(to be added only if Customer desires Pipeline to act as its agent)

ARTICLE II. TERM OF AGREEMENT

The Term of this Agreement shall commence on _____ and shall continue in effect until _____ and shall continue thereafter until terminated either by Pipeline or by Customer upon twelve (12) months' prior written notice to the other specifying a termination date at the end of such period or any yearly period thereafter.

Effective Date: 07/01/1993 Status: Effective
FERC Docket: RS92- 18-002

Original Sheet No. 65B Original Sheet No. 65B : Superseded

FORM OF SERVICE AGREEMENT
FOR RATE SCHEDULE VTS (Continued)

ARTICLE III. RATE SCHEDULE

Customer shall pay Pipeline, for all service rendered hereunder in the period stated, prices established under Pipeline's Rate Schedule VTS as filed with the Federal Energy Regulatory Commission, and as same may hereafter be legally amended or superseded. Pipeline shall have the right from time to time, by the filing of a revised rate schedule to increase or decrease rates, to change the form of the applicable rate schedule and to take such other further action with respect thereto without further consent by Customer, and such changes in rates and other changes shall become the Rate Schedule and Terms and Conditions under which the gas shall be transported hereunder. Customer shall have the right to oppose any of the foregoing and to request reduction in rates to the extent that Customer is legally permitted to do so under the Natural Gas Act. This Agreement in all respects shall be and remain subject to the applicable provisions of said Rate Schedule(s) and of the General Terms and Conditions of Pipeline on file with the Federal Energy Regulatory Commission, all of which are by this reference made a part hereof.

ARTICLE IV. POINTS OF RECEIPT AND DELIVERY

Natural gas to be received by Pipeline from or for the account of Customer for gathering hereunder shall be received at the inlet side of the measuring station(s) at or near the following designated points of receipt and natural gas to be delivered by Pipeline to or for the account of Customer hereunder shall be delivered at the outlet side of the measuring station(s) at or near the following designated points of delivery, with the maximum daily receipt and delivery obligations and delivery pressure indicated for each of such points of receipt and points of delivery:

Points of Receipt	Pipeline's Maximum Daily Receipt Obligation (dth)	Customer's Delivery Pressure
		Sufficient to enter Pipeline's system, but not in excess of Pipeline's maximum allowable operating pressure of _____ psig.
Points of Delivery	Pipeline's Maximum Daily Delivery Obligation (dth)	Pipeline's Delivery Pressure
		Such pressure as may exist on Pipeline's system, but not in excess of Pipeline's maximum allowable operating pressure of _____ psig.

Effective Date: 07/01/1993 Status: Effective
FERC Docket: RS92- 18-002

Original Sheet No. 65C Original Sheet No. 65C : Superseded

FORM OF SERVICE AGREEMENT
FOR RATE SCHEDULE VTS (Continued)

ARTICLE V. NOTICES

Notices to either party shall be sent by United States mail or Western Union telegram addressed as follows:

- (a) Kentucky West Virginia Gas Company
3500 Park Lane
Pittsburgh, PA 15275
Attn: Transportation Dept.

(b)

Either party may change its address under this Article by written notice to the other party.

ARTICLE VI. CANCELLATION OF PRIOR CONTRACTS

This Agreement supersedes and cancels, as of the effective date of this Agreement, the contract(s) between the parties hereto for the sale and delivery of gas by Pipeline to Customer, as described below:

ARTICLE VII. CONTROLLING LAW

The interpretation and performance of any service agreement under this Rate Schedule shall be in accordance with the laws of the Commonwealth of Kentucky, without recourse to the principles of conflict of laws.

ARTICLE VIII. SUCCESSORS AND ASSIGNS

Either Pipeline or Customer may assign or otherwise transfer its interest in this Agreement to its corporate parent, affiliate, or subsidiary or to any person or corporation which shall succeed by purchase, merger, consolidation or otherwise, to the properties of Buyer or Seller substantially as an entirety. Otherwise, neither party may assign this Agreement nor any of its obligations hereunder unless it shall first have obtained the consent thereto in writing of the other party.

Effective Date: 07/01/1993 Status: Effective

FERC Docket: RS92- 18-002

Original Sheet No. 65D Original Sheet No. 65D : Superseded

FORM OF SERVICE AGREEMENT
FOR RATE SCHEDULE VTS (Continued)

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their respective Presidents or Vice Presidents thereunto duly authorized and their respective corporate seals to be hereto affixed and attested by their respective Secretaries or Assistant Secretaries, the day and year first above written.

ATTEST: KENTUCKY WEST VIRGINIA GAS COMPANY

_____ By _____

ATTEST:

_____ By _____

Effective Date: 07/01/1993 Status: Effective
FERC Docket: RS92- 18-002

Original Sheet No. 66 Original Sheet No. 66 : Superseded

FORM OF SERVICE AGREEMENT
FOR FTS RATE SCHEDULE

This Agreement, made and entered into this _____ day of _____, 19_____, by and between KENTUCKY WEST VIRGINIA GAS COMPANY, a West Virginia corporation, (hereinafter referred to as "Pipeline") and _____, (hereinafter referred to as "Customer", whether one or more),

WITNESSETH:

WHEREAS, Pipeline is willing to provide and Customer is willing to purchase transportation service subject to the terms and conditions contained in Pipeline's FERC Gas Tariff and as hereinafter set forth.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements herein contained, the parties do covenant and agree as follows:

ARTICLE I. SCOPE OF AGREEMENT

Subject to the terms, conditions and limitations hereof and of Pipeline's Rate Schedule FTS, Pipeline agrees to receive at the points of receipt specified herein from or for the account of Customer for transportation of natural gas within the following quantity:

Maximum Daily Contract Quantity
("MDCQ") _____ dth.

Pipeline agrees to delivery to or for the account of Customer and Customer agrees to accept or cause acceptance of delivery of an equivalent quantity less retainage, on a heating value basis, at the points of delivery specified herein. Pipeline shall have the right to issue an operational flow order directly to any supplier, operator, transporter or owner of Customer's gas. *(By executing this Service Agreement, Customer is agreeing to designate Pipeline as its agent under Section 16.2 of Pipeline's Tariff to act as necessary under any operational flow order.) *(to be added only if Customer desires Pipeline to act as its agent)

ARTICLE II. TERM OF AGREEMENT

This Agreement shall become effective on _____, and shall terminate on _____, provided, however, this agreement shall automatically terminate upon the date Pipeline abandons any pipeline mainline facility necessary to the transportation service rendered hereunder.

Effective Date: 07/01/1993 Status: Effective
FERC Docket: RS92- 18-002

Original Sheet No. 67 Original Sheet No. 67 : Superseded

FORM OF SERVICE AGREEMENT
FOR FTS RATE SCHEDULE (Continued)

ARTICLE III. RATE SCHEDULE

Customer shall pay Seller for all services rendered hereunder at the _____ rate specified under Pipeline's Rate Schedule FTS as filed with the FERC and as the same may be hereafter revised, changed or discounted.

Pipeline shall have the right from time to time, by the filing of a revised rate schedule, to increase or decrease rates, to change the form of the applicable rate schedule and to take such other further action with respect thereto without further consent by Customer and such changes in rates and other changes shall become the Rate Schedule and Terms and Conditions under which the gas shall be transported hereunder. Customer shall have the right to oppose any of the foregoing and to request reduction in rates to the extent that Customer is legally permitted to do so under the Natural Gas Act.

This Agreement in all respects shall be and remain subject to the applicable provisions of the said rate schedule and of the General Terms and Conditions of Pipeline's Tariff on file with the FERC, all of which are by this reference made a part hereof.

ARTICLE IV. POINTS OF RECEIPT AND DELIVERY

Natural gas to be received by Pipeline from or for the account of Customer for transportation hereunder shall be received at the inlet side of the measuring station(s) at or near the following designated points of receipt and natural gas to be delivered by Pipeline to or for the account of Customer hereunder shall be delivered at the outlet side of the measuring station(s) at or near the following designated points of delivery, with the maximum daily receipt and delivery obligations and delivery pressure indicated for each of such points of receipt and points of delivery:

Points of Receipt	Pipeline's Maximum Daily Receipt Obligation (dth)	Customer's Delivery Pressure
		Sufficient to enter Pipeline's system, but not in excess of Pipeline's maximum allowable operating pressure of _____ psig.
Points of Delivery	Pipeline's Maximum Daily Delivery Obligation (dth)	Pipeline's Delivery Pressure
		Such pressure as may exist on Pipeline's system, but not in excess of Pipeline's maximum allowable operating pressure of _____ psig.

Effective Date: 07/01/1993 Status: Effective
FERC Docket: RS92- 18-002

Original Sheet No. 68 Original Sheet No. 68 : Superseded

FORM OF SERVICE AGREEMENT
FOR FTS RATE SCHEDULE (Continued)

ARTICLE V. NOTICES

Notices to either party shall be sent by United States mail or Western Union telegram addressed as follows:

- (a) Kentucky West Virginia Gas Company
3500 Park Lane
Pittsburgh, PA 15275
Attn: Transportation Dept.
- (b)

Either party may change its address under this Article by written notice to the other party.

ARTICLE VI. CONTROLLING LAW

The interpretation and performance of any service agreement under this rate schedule shall be in accordance with the laws of the Commonwealth of Kentucky, without recourse to the principles of conflict of laws.

ARTICLE VII. SUCCESSORS AND ASSIGNS

Either Pipeline or Customer may assign or otherwise transfer its interest in this Agreement to its corporate parent, affiliate, or subsidiary or to any person or corporation which shall succeed by purchase, merger, consolidation or otherwise, to the properties of Customer or Pipeline substantially as an entirety. Otherwise, neither party may assign this Agreement nor any of its obligations hereunder unless it shall first have obtained the consent thereto of the other party.

ARTICLE VIII. CANCELLATION OF PRIOR CONTRACTS

This Agreement supersedes and cancels, as of the effective date of this Agreement, prior contract(s) between the parties hereto for the transportation of the gas that is the subject of this Agreement.

Effective Date: 07/01/1993 Status: Effective

FERC Docket: RS92- 18-002

Original Sheet No. 68A Original Sheet No. 68A : Superseded

FORM OF SERVICE AGREEMENT
FOR FTS RATE SCHEDULE (Continued)

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their respective Presidents or Vice Presidents thereto duly authorized and their respective corporate seals to be hereto affixed and attested by their respective Secretaries or Assistant Secretaries, the day and year first above written.

ATTEST:

KENTUCKY WEST VIRGINIA GAS COMPANY

By _____

ATTEST:

By _____

Effective Date: 07/01/1993 Status: Effective
FERC Docket: RS92- 18-002

Original Sheet No. 69 Original Sheet No. 69 : Superseded

FORM OF SERVICE AGREEMENT
FOR ITS RATE SCHEDULE

This Agreement, made and entered into this _____ day of _____, 19_____, by and between KENTUCKY WEST VIRGINIA GAS COMPANY, a West Virginia corporation, (hereinafter referred to as "Pipeline"), and _____, (hereinafter referred to as "Customer", whether one or more),

WITNESSETH:

WHEREAS, Pipeline is willing to provide and Customer is willing to purchase transportation service subject to the terms and conditions contained in Pipeline's FERC Gas Tariff and as hereinafter set forth.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements herein contained, the parties do covenant and agree as follows:

ARTICLE I. SCOPE OF AGREEMENT

Subject to the terms, conditions and limitations hereof and of Pipeline's Rate Schedule ITS, Pipeline agrees to receive at the points of receipt specified herein from or for the account of Customer for transportation of natural gas within the following quantity:

Maximum Daily Contract Quantity
("MDCQ") _____ dth.

Pipeline agrees to deliver to or for the account of Customer and Customer agrees to accept or cause acceptance of delivery of an equivalent quantity less retainage, on a heating value basis, at the points of delivery specified herein. Pipeline shall have the right to issue an operational flow order directly to any supplier, operator, transporter or owner of Customer's gas. *(By executing this Service Agreement, Customer is agreeing to designate Pipeline as its agent under Section 16.2 of Pipeline's Tariff to act as necessary under any operational flow order.) *(to be added only if Customer desires Pipeline to act as its agent)

ARTICLE II. TERM OF AGREEMENT

This Agreement shall become effective on _____, and shall terminate on _____, provided, however, this agreement shall automatically terminate upon the date Pipeline abandons any pipeline mainline facility necessary to the transportation service rendered hereunder.

Effective Date: 07/01/1993 Status: Effective
FERC Docket: RS92- 18-002

Original Sheet No. 70 Original Sheet No. 70 : Superseded

FORM OF SERVICE AGREEMENT
FOR ITS RATE SCHEDULE (Continued)

ARTICLE III. RATE SCHEDULE

Customer shall pay Pipeline for all services rendered hereunder at the _____ rate specified under Pipeline's Rate Schedule ITS as filed with the FERC and as the same may be hereafter revised, changed or discounted.

Pipeline shall have the right from time to time, by the filing of a revised rate schedule, to increase or decrease rates, to change the form of the applicable rate schedule and to take such other further action with respect thereto without further consent by Customer, and such changes in rates and other changes shall become the Rate Schedule and Terms and Conditions under which the gas shall be transported hereunder. Customer shall have the right to oppose any of the foregoing and to request reduction in rates to the extent that Customer is legally permitted to do so under the Natural Gas Act.

This Agreement in all respects shall be and remain subject to the applicable provisions of the said rate schedule and of the General Terms and Conditions of Pipeline's Tariff on file with the FERC, all of which are by this reference made a part hereof.

ARTICLE IV. POINTS OF RECEIPT AND DELIVERY

Natural gas to be received by Pipeline from or for the account of Customer for transportation hereunder shall be received at the inlet side of the measuring station(s) at or near the following designated points of receipt and natural gas to be delivered by Pipeline to or for the account of Customer hereunder shall be delivered at the outlet side of the measuring station(s) at or near the following designated points of delivery, with the maximum daily receipt and delivery obligations and delivery pressure indicated for each of such points of receipt and points of delivery.

Points of Receipt	Pipeline's Maximum Daily Receipt Obligation (dth)	Customer's Delivery Pressure Sufficient to enter Pipeline's system, but not in excess of Pipeline's maximum allowable operating pressure of _____ psig.
-------------------	---	---

Points of Delivery	Pipeline's Maximum Daily Delivery Obligation (dth)	Pipeline's Delivery Pressure Such pressure as may exist on Pipeline's system, but not in excess of Customer's maximum allowable operating pressure of _____ psig.
--------------------	--	---

Effective Date: 07/01/1993 Status: Effective
FERC Docket: RS92- 18-002

Original Sheet No. 71 Original Sheet No. 71 : Superseded

FORM OF SERVICE AGREEMENT
FOR ITS RATE SCHEDULE (Continued)

ARTICLE V. NOTICES

Notices to either party shall be sent by United States mail or Western Union telegram addressed as follows:

- (a) Kentucky West Virginia Gas Company
3500 Park Lane
Pittsburgh, PA 15275
Attn: Transportation Dept.
- (b)

Either party may change its address under this Article by written notice to the other party.

ARTICLE VI. CONTROLLING LAW

The interpretation and performance of any service agreement under this rate schedule shall be in accordance with the laws of the Commonwealth of Kentucky, without recourse to the principles of conflict of laws.

ARTICLE VII. CANCELLATION OF PRIOR CONTRACTS

This Agreement supersedes and cancels, as of the effective date of this Agreement, prior contract(s) between the parties hereto for the transportation of the gas that is the subject of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their respective Presidents or Vice Presidents thereto duly authorized and their respective corporate seals to be hereto affixed and attested by their respective Secretaries or Assistant Secretaries the day and year first above written.

ATTEST: KENTUCKY WEST VIRGINIA GAS COMPANY

_____ By _____

ATTEST:

_____ By _____

Effective Date: 07/01/1993 Status: Effective
FERC Docket: RS92- 18-002

Original Sheet No. 72 Original Sheet No. 72 : Superseded

FORM OF SERVICE AGREEMENT
FOR FGS RATE SCHEDULE

This Agreement, made and entered into this _____ day of _____, 19_____, by and between KENTUCKY WEST VIRGINIA GAS COMPANY, a West Virginia corporation, (hereinafter referred to as "Pipeline") and _____, (hereinafter referred to as "Customer", whether one or more),

WITNESSETH:

WHEREAS, Pipeline is willing to provide and Customer is willing to purchase firm gathering service subject to the term and conditions contained in Pipeline's FERC Gas Tariff and as hereinafter set forth.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements herein contained, the parties do covenant and agree as follows:

ARTICLE I. SCOPE OF AGREEMENT

Subject to the terms, conditions and limitations hereof and of Pipeline's Rate Schedule FGS, Pipeline agrees to receive at the points of receipt specified herein from or for the account of Customer for firm gathering of natural gas within the following quantity:

Maximum Daily Contract Quantity
("MDCQ") _____ dth.

Pipeline agrees to delivery to or for the account of Customer and Customer agrees to accept or cause acceptance of delivery of an equivalent quantity less retainage, on a heating value basis, at the points of delivery specified herein. Pipeline shall have the right to issue an operational flow order directly to any supplier, operator, transporter or owner of Customer's gas. *(By executing this Service Agreement, Customer is agreeing to designate Pipeline as its agent under Section 16.2 of Pipeline's Tariff to act as necessary under any operational flow order.) *(to be added only if Customer desires Pipeline to act as its agent)

ARTICLE II. TERMS OF AGREEMENT

This Agreement shall become effective on _____, and shall terminate on _____, provided, however, this agreement shall automatically terminate upon the date Seller abandons any pipeline gathering facility necessary to the service rendered hereunder.

Effective Date: 07/01/1993 Status: Effective
FERC Docket: RS92- 18-002

Original Sheet No. 73 Original Sheet No. 73 : Superseded

FORM OF SERVICE AGREEMENT
FOR FGS RATE SCHEDULE (Continued)

ARTICLE III. RATE SCHEDULE

Customer shall pay Seller for all services rendered hereunder at the _____ rate specified under Pipeline's Rate Schedule FGS as filed with the FERC and as the same may be hereafter revised, changed or discounted.

Pipeline shall have the right from time to time, by the filing of a revised rate schedule, to increase or decrease rates, to change the form of the applicable rate schedule and to take such other further action with respect thereto without further consent by Customer, and such changes in rates and other changes shall become the Rate Schedule and Terms and Conditions under which the gas shall be gathered hereunder. Customer shall have the right to oppose any of the foregoing and to request reduction in rates to the extent that Customer is legally permitted to do so under the Natural Gas Act.

This Agreement in all respects shall be and remain subject to the applicable provisions of the said rate schedule and of the General Terms and Conditions of Pipeline's Tariff on file with the FERC, all of which are by this reference made a part hereof.

ARTICLE IV. POINTS OF RECEIPT AND DELIVERY

Natural gas to be received by Pipeline from or for the account of Customer for gathering hereunder shall be received at the inlet side of the measuring station(s) at or near the following designated points of receipt and natural gas to be delivered by Pipeline to or for the account of Customer hereunder shall be delivered at the outlet side of the measuring station(s) at or near the following designated points of delivery, with the maximum daily receipt and delivery obligations and delivery pressure indicated for each of such points of receipt and points of delivery:

Points of Receipt	Pipeline's Maximum Daily Receipt Obligation (dth)	Customer's Delivery Pressure Sufficient to enter Pipeline's system, but not in excess of Pipeline's maximum allowable operating pressure of _____ psig.
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Points of Delivery	Pipeline's Maximum Daily Delivery Obligation (dth)	Pipeline's Delivery Pressure Such pressure as may exist on Pipeline's system, but not in excess of Pipeline's maximum allowable operating pressure of _____ psig.
--------------------	--	---

Effective Date: 07/01/1993 Status: Effective
FERC Docket: RS92- 18-002

Original Sheet No. 74 Original Sheet No. 74 : Superseded

FORM OF SERVICE AGREEMENT
FOR FGS RATE SCHEDULE (Continued)

ARTICLE V. NOTICES

Notices to either party shall be sent by United States mail or Western Union telegram addressed as follows:

- (a) Kentucky West Virginia Gas Company
3500 Park Lane
Pittsburgh, PA 15275
Attn: Transportation Dept.
- (b)

Either party may change its address under this Article by written notice to the other party.

ARTICLE VI. CONTROLLING LAW

The interpretation and performance of any service agreement under this rate schedule shall be in accordance with the laws of the Commonwealth of Kentucky, without recourse to the principles of conflict of laws.

ARTICLE VII. SUCCESSORS AND ASSIGNS

Either pipeline or customer may assign or otherwise transfer its interest in this Agreement to its corporate parent, affiliate, or subsidiary or to any person or corporation which shall succeed by purchase merger, consolidation or otherwise to the properties of Customer or Pipeline substantially as an entirety. Otherwise, neither party may assign this Agreement nor any of its obligations hereunder unless it shall first have obtained the consent thereto in writing of the other party.

ARTICLE VIII. CANCELLATION OF PRIOR CONTRACTS

This Agreement supersedes and cancels, as of the effective date of this Agreement, prior contract(s) between the parties hereto for the firm gathering of the gas that is the subject of this Agreement.

Effective Date: 07/01/1993 Status: Effective
FERC Docket: RS92- 18-002

Original Sheet No. 75 Original Sheet No. 75 : Superseded

FORM OF SERVICE AGREEMENT
FOR FGS RATE SCHEDULE (Continued)

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their respective Presidents or Vice Presidents thereto duly authorized and their respective Secretaries or Assistant Secretaries, the day and year first above written.

ATTEST:

KENTUCKY WEST VIRGINIA GAS COMPANY

By _____

ATTEST:

By _____

Effective Date: 07/01/1993 Status: Effective

FERC Docket: RS92- 18-002

Original Sheet No. 76 Original Sheet No. 76 : Superseded

FORM OF SERVICE AGREEMENT
FOR IGS RATE SCHEDULE

This Agreement, made and entered into this _____ day of _____, 19_____, by and between KENTUCKY WEST VIRGINIA GAS COMPANY, a West Virginia corporation, (hereinafter referred to as "Pipeline"), and _____, (hereinafter referred to as "Customer", whether one or more),

WITNESSETH:

WHEREAS, Pipeline is willing to provide and Customer is willing to purchase interruptible gathering service subject to the terms and conditions contained in Pipeline's FERC Gas Tariff and as hereinafter set forth.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements herein contained, the parties do covenant and agree as follows:

ARTICLE I. SCOPE OF AGREEMENT

Subject to the terms, conditions and limitations hereof and of Pipeline's Rate Schedule IGS, Pipeline agrees to receive at the points of receipt specified herein from or for the account of Customer for interruptible gathering of natural gas within the following quantity:

Maximum Daily Contract Quantity
("MDCQ") _____ dth.

Seller agrees to deliver to or for the account of Customer and Customer agrees to accept or cause acceptance of delivery of an equivalent quantity less retainage, on a heating value basis, at the points of delivery specified herein. Pipeline shall have the right to issue an operational flow order directly to any supplier, operator, transporter or owner of Customer's gas. *(By executing this Service Agreement, Customer is agreeing to designate Pipeline as its agent under Section 16.2 of Pipeline's Tariff to act as necessary under any operational flow order.) *(to be added only if Customer desires Pipeline to act as its agent)

ARTICLE II. TERMS OF AGREEMENT

This Agreement shall become effective on _____, and shall terminate on _____, provided, however, this agreement shall automatically terminate upon the date Pipeline abandons any pipeline gathering facility necessary to the service rendered hereunder.

Effective Date: 07/01/1993 Status: Effective
FERC Docket: RS92- 18-002

Original Sheet No. 77 Original Sheet No. 77 : Superseded

FORM OF SERVICE AGREEMENT
FOR IGS RATE SCHEDULE (Continued)

ARTICLE III. RATE SCHEDULE

Customer shall pay Pipeline for all services rendered hereunder at the _____ rate specified under Seller's Rate Schedule IGS as filed with the FERC and as the same may be hereafter revised, changed or discounted.

Pipeline shall have the right from time to time, by the filing of a revised rate schedule, to increase or decrease rates, to change the form of the applicable rate schedule and to take such other further action with respect thereto without further consent by Customer, and such changes in rates and other changes shall become the Rate Schedule and Terms and Conditions under which the gas shall be gathered hereunder. Customer shall have the right to oppose any of the foregoing and to request reduction in rates to the extent that Customer is legally permitted to do so under the Natural Gas Act.

This Agreement in all respects shall be and remain subject to the applicable provisions of the said rate schedule and of the General Terms and Conditions of Pipeline's Tariff on file with the FERC, all of which are by this reference made a part hereof.

ARTICLE IV. POINTS OF RECEIPT AND DELIVERY

Natural gas to be received by Pipeline from or for the account of Customer for gathering hereunder shall be received at the inlet side of the measuring station(s) at or near the following designated points of receipt and natural gas to be delivered by Pipeline to or for the account of Customer hereunder shall be delivered at the outlet side of the measuring station(s) at or near the following designated points of delivery, with the maximum daily receipt and delivery obligations and delivery pressure indicated for each of such points of receipt and points of delivery.

Points of Receipt	Pipeline's Maximum Daily Receipt Obligation (dth)	Customer's Delivery Pressure Sufficient to enter Pipeline's system, but not in excess of Pipeline's maximum allowable operating pressure of _____ psig.
-------------------	---	---

Points of Delivery	Pipeline's Maximum Daily Delivery Obligation (dth)	Pipeline's Delivery Pressure Such pressure as may exist on Pipeline's system, but not in excess of Pipeline's maximum allowable operating pressure of _____ psig.
--------------------	--	---

Effective Date: 07/01/1993 Status: Effective
FERC Docket: RS92- 18-002

Original Sheet No. 78 Original Sheet No. 78 : Superseded

FORM OF SERVICE AGREEMENT
FOR IGS RATE SCHEDULE (Continued)

ARTICLE V. NOTICES

Notices to either party shall be sent by United States mail or Western Union telegram addressed as follows:

- (a) Kentucky West Virginia Gas Company
3500 Park Lane
Pittsburgh, PA 15275
Attn: Transportation Dept.
- (b)

Either party may change its address under this Article by written notice to the other party.

ARTICLE VI. CONTROLLING LAW

The interpretation and performance of any service agreement under this rate schedule shall be in accordance with the laws of the Commonwealth of Kentucky, without recourse to the principles of conflict of laws.

ARTICLE VII. CANCELLATION OF PRIOR CONTRACTS

This Agreement supersedes and cancels, as of the effective date of this Agreement, prior contract(s) between the parties hereto for the interruptible gathering of the gas that is the subject of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their respective Presidents or Vice Presidents thereto duly authorized and their respective Secretaries or Assistant Secretaries, the day and year first above written.

ATTEST: KENTUCKY WEST VIRGINIA GAS COMPANY

_____ By _____

ATTEST: _____

_____ By _____

Effective Date: 07/01/1993 Status: Effective
FERC Docket: RS92- 18-002

Original Sheet No. 78A Original Sheet No. 78A : Superseded

FORM OF SERVICE AGREEMENT
FOR SSS RATE SCHEDULE

This Agreement, made and entered into this _____ day of _____, 19_____, by and between KENTUCKY WEST VIRGINIA GAS COMPANY, a West Virginia corporation, (hereinafter referred to as "Pipeline"), and _____, (hereinafter referred to as "Customer", whether one or more),

WITNESSETH:

WHEREAS, Pipeline is willing to provide gas to Customer at the wellhead for the limited term of one year from the effective date of this tariff sheet, and Customer is interested in purchasing gas for that limited term subject to the terms and conditions contained in Pipeline's FERC Gas Tariff.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements herein contained, the parties do covenant and agree as follows:

ARTICLE I. SCOPE OF AGREEMENT

Pipeline agrees to sell to Customer and Customer agrees to purchase from Pipeline for the term specified above the following quantities of natural gas:

Maximum Annual Quantity - _____ dth

Maximum Daily Quantity - _____ dth

ARTICLE II. TERMS OF AGREEMENT

The Term of this Agreement shall commence on _____, and shall continue in effect until _____, for a period not to exceed twelve months from the effective date of this tariff sheet. Customer must arrange for delivery of purchases under any of Pipeline's gathering or transportation Rate Schedules.

ARTICLE III. RATE SCHEDULE

Customer shall pay Pipeline, for all services rendered hereunder in the period stated, prices established under Pipeline's Rate Schedule SSS as filed with the Federal Energy Regulatory Commission, and as same may hereafter be legally amended or superseded.

Effective Date: 07/01/1993 Status: Effective
FERC Docket: RS92- 18-002

Original Sheet No. 78B Original Sheet No. 78B : Superseded

FORM OF SERVICE AGREEMENT
FOR SSS RATE SCHEDULE (Continued)

Pipeline shall have the right from time to time, by the filing of a revised rate schedule, to increase or decrease rates, to change the form of the applicable rate schedule and to take such other further action with respect thereto without further consent by Customer, and such changes in rates and other changes shall become the Rate Schedule and Terms and Conditions under which the gas shall be transported hereunder. Customer shall have the right to oppose any of the foregoing and to request reduction in rates to the extent that Customer is legally permitted to do so under the Natural Gas Act.

This Agreement in all respects shall be and remain subject to the applicable provisions of said Rate Schedule(s) and of the General Terms and Conditions of Seller on file with the Federal Energy Regulatory Commission, all of which are by this reference made a part hereof.

ARTICLE IV. POINTS OF DELIVERY

ARTICLE V. DELIVERY PRESSURE

ARTICLE VI. ADDRESSES

Except as herein otherwise provided, any notice, request, demand, statement, bill or payment provided for in this agreement, or any notice which any party may desire to give to the other, shall be in writing and shall be considered as fully delivered when mailed by registered mail to the Post Office Address of the parties hereto, as the case may be, as follows:

or such other address as either party shall designate by formal written notice. Routine communications, including monthly statements and payments, shall be considered as duly delivered when mailed by either registered or ordinary mail.

Effective Date: 07/01/1993 Status: Effective

FERC Docket: RS92- 18-002

Original Sheet No. 78C Original Sheet No. 78C : Superseded

FORM OF SERVICE AGREEMENT
FOR SSS RATE SCHEDULE (Continued)

ARTICLE VII. CANCELLATION OF PRIOR CONTRACTS

This Agreement supersedes and cancels, as of the effective date of this Agreement, the contract(s) between the parties hereto for the sale of gas by Pipeline to Customer, as described below:

ARTICLE VIII. SUCCESSORS AND ASSIGNS

Either Pipeline or Customer may assign or otherwise transfer its interest in this Agreement to its corporate parent, affiliate, or subsidiary or to any person or corporation which shall succeed by purchase merger, consolidation or otherwise to the properties of Customer or Pipeline substantially as an entirety. Otherwise, neither party may assign this Agreement nor any of its obligations hereunder unless it shall first have obtained the consent thereto in writing of the other party.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their respective Presidents or Vice Presidents thereunto duly authorized and their respective corporate seals to be hereto affixed and attested by their respective Secretaries or Assistant Secretaries, the day and year first above written.

ATTEST: KENTUCKY WEST VIRGINIA GAS COMPANY

_____ By _____

ATTEST:

_____ By _____

Effective Date: 07/01/1993 Status: Effective
FERC Docket: RS92- 18-002

Original Sheet No. 78D Original Sheet No. 78D : Superseded

FORM OF SERVICE AGREEMENT
FOR NNTS RATE SCHEDULE

This Agreement, made and entered into this _____ day of _____, 19_____, by and between KENTUCKY WEST VIRGINIA GAS COMPANY, a West Virginia corporation, (hereinafter referred to as "Pipeline") and _____, (hereinafter referred to as "Customer", whether one or more),

WITNESSETH:

WHEREAS, Pipeline is willing to provide and Customer is willing to purchase no-notice transportation service subject to the terms and conditions contained in Pipeline's FERC Gas Tariff and as hereinafter set forth.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements herein contained, the parties do covenant and agree as follows:

ARTICLE I. SCOPE OF AGREEMENT

Pipeline agrees to sell to Customer and Customer agrees to purchase from Pipeline each contract year the following quantities of no-notice transportation service:

Maximum Annual No-Notice Quantity - _____ dth

Maximum Daily No-Notice Quantity - _____ dth

Pipeline shall have the right to issue an operational flow order directly to any supplier, operator, transporter or owner of Customer's gas. *(By executing this Service Agreement, Customer is agreeing to designate Pipeline as its agent under Section 16.2 of Pipeline's Tariff to act as necessary under any operational flow order.) *(to be added only if Customer desires Pipeline to act as its agent)

ARTICLE II. TERM OF AGREEMENT

The Term of this Agreement shall commence on _____, and shall continue in effect until _____, and shall continue thereafter until terminated either by Pipeline or by Customer upon twelve (12) months prior written notice to the other specifying a termination date at the end of such period or any yearly period thereafter.

ARTICLE III. RATE SCHEDULE

Customer shall pay Pipeline for all service rendered hereunder in the period stated, prices established under Pipeline's Rate Schedule NNTS as

Effective Date: 07/01/1993 Status: Effective

FERC Docket: RS92- 18-002

Original Sheet No. 78E Original Sheet No. 78E : Superseded

FORM OF SERVICE AGREEMENT
FOR NNTS RATE SCHEDULE (Continued)

filed with the Federal Energy Regulatory Commission, and as same may hereafter be legally amended or superseded.

Pipeline shall have the right from time to time, by the filing of a revised rate schedule, to increase or decrease rates, to change the form of the applicable rate schedule and to take such other further action with respect thereto without further consent by Customer, and such changes in rates and other changes shall become the Rate Schedule and Terms and Conditions under which the gas shall be transported hereunder. Customer shall have the right to oppose any of the foregoing and to request reduction in rates to the extent that Customer is legally permitted to do so under the Natural Gas Act.

This Agreement in all respects shall be and remain subject to the applicable provisions of said Rate Schedule(s) and of the General Terms and Conditions of Pipeline on file with the Federal Energy Regulatory Commission, all of which are by this reference made a part hereof.

ARTICLE IV. POINTS OF DELIVERY

ARTICLE V. DELIVERY PRESSURE

ARTICLE VI. ADDRESSES

Except as herein otherwise provided, any notice, request, demand, statement, bill or payment provided for in this agreement, or any notice which any party may desire to give to the other, shall be in writing and shall be considered as fully delivered when mailed by registered mail to the Post Office Address of the parties hereto, as the case may be, as follows:

or such other address as either party shall designate by formal written notice. Routine communications, including monthly statements and payments, shall be considered as duly delivered when mailed by either registered or ordinary mail.

Effective Date: 07/01/1993 Status: Effective

FERC Docket: RS92- 18-002

Original Sheet No. 78F Original Sheet No. 78F : Superseded

FORM OF SERVICE AGREEMENT
FOR NNTS RATE SCHEDULE (Continued)

ARTICLE VII. SUPPLEMENTATION OF PRIOR CONTRACTS

This Agreement is in addition to any other contracts for the volumetric delivery of gas under Pipeline's other Rate Schedules and in no way affects deliveries or purchases under those Rate Schedules between the parties thereto.

ARTICLE VIII. SUCCESSORS AND ASSIGNS

Either Pipeline or Customer may assign or otherwise transfer its interest in this Agreement to its corporate parent, affiliate, or subsidiary or to any person or corporation which shall succeed by purchase merger, consolidation or otherwise to the properties of Customer or Pipeline substantially as an entirety. Otherwise, neither party may assign this Agreement nor any of its obligations hereunder unless it shall first have obtained the consent thereto in writing of the other party.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their respective Presidents or Vice Presidents thereunto duly authorized and their respective corporate seals to be hereto affixed and attested by their respective Secretaries or Assistant Secretaries, the day and year first above written.

ATTEST: KENTUCKY WEST VIRGINIA GAS COMPANY

_____ By _____

ATTEST:

_____ By _____

Effective Date: 07/01/1993 Status: Effective
FERC Docket: RS92- 18-002

Original Sheet No. 78G Original Sheet No. 78G : Superseded

FORM OF SALES SERVICE AGREEMENT
APPLICABLE TO MARKETING DIVISION SALES SERVICE
UNDER RATE SCHEDULE MDS

THIS AGREEMENT, made and entered into this _____ day of _____, 19_____, by and between _____ (hereinafter referred to as "Customer"), and Kentucky West Virginia Gas Company (hereinafter referred to as "Pipeline").

WHEREAS, Customer wishes to purchase natural gas from Pipeline;

WHEREAS, Pipeline has a supply of natural gas sufficient to sell to Customer the quantity it wishes to purchase; and

WHEREAS, Customer agrees to arrange its own transportation or gathering on Pipeline's system from the point of sale to the point of delivery.

NOW, THEREFORE, in consideration of the representations, covenants and conditions herein contained, the Pipeline and Customer agree as follows:

To Be Negotiated.

IN WITNESS WHEREOF, the parties have executed this Sales Service Agreement as of date indicated above.

ATTEST: KENTUCKY WEST VIRGINIA GAS COMPANY

_____ By _____

ATTEST:

_____ By _____

Effective Date: 07/01/1993 Status: Effective

FERC Docket: RS92- 18-002

Original Sheet No. 79 Original Sheet No. 79 : Superseded

K.W. Request No. _____

KENTUCKY WEST VIRGINIA GAS COMPANY
REQUEST FORM FOR
SERVICE UNDER
RATE SCHEDULES FGS, FTS, IGS, ITS

I

Type of service requested: (check one)

- _____ Firm gathering service (FGS)
- _____ Firm transportation service (FTS)
- _____ Interruptible gathering service (IGS)
- _____ Interruptible transportation service (ITS)

II

(a) Requesting Party (Complete Legal Name of Customer): _____

(b) Type of Legal Entity: _____

State of Incorporation: _____

(c) Customer is: (Check one of the below)

- a. _____ Intrastate
- b. _____ LDC
- c. _____ Hinshaw
- d. _____ End-User
- e. _____ Producer
- f. _____ Marketer
- g. _____ Broker
- h. _____ Other _____

Effective Date: 07/01/1993 Status: Effective

FERC Docket: RS92- 18-002

Original Sheet No. 80 Original Sheet No. 80 : Superseded

Service Request Form (Continued)

(d) Contact Person for Request: _____

Mailing Address: _____

Street Address: _____

Phone: _____

Telecopy No.: _____

24-hour contact person for purposes of dispatching gas to and from receipt and delivery points: _____

Phone: _____

Telecopy No.: _____

1. Is this person an employee of Customer? ____ Yes ____ No

2. If no, state relationship to Customer _____

Agreement information:

Notices to: _____

Invoice to: _____

(address) _____

(address) _____

Attn: _____

Attn: _____

Effective Date: 07/01/1993 Status: Effective
FERC Docket: RS92- 18-002

Original Sheet No. 81 Original Sheet No. 81 : Superseded

Service Request Form (Continued)

(e) Name and full title of officer (or general partner) of Customer who will execute service agreement with Pipeline: _____

(f) Maximum Daily Contract Quantity to be delivered by Pipeline (state in dth and Mcf):

Maximum estimated total quantity to be gathered and/or transported during term of service (state in dth and Mcf):

(g) Points of Receipt (see attachment)

(h) Points of Delivery (see attachment)

(i) (1) Date Service is requested to commence: _____

(2) Date Service is requested to terminate: _____

(j) If Customer is requesting service under either FTS or FGS Rate Schedules, this Service Request Form must be accompanied by a prepayment, not to exceed \$10,000, of the total Reservation Charge provided in Rate Schedules FTS or FGS contained in Pipeline's FERC Gas Tariff.

(k) Customer must execute and submit the attached Customer's certification.

III

At the time of execution of the Service Agreement, Customer shall inform Pipeline of the state in which the ultimate consumer of the gas is located. If Equitable Resources Energy Company (EREC) is a supplier of gas to Customer, Customer agrees to cause EREC to inform Pipeline in the event EREC incurs a loss on the sale to Customer and the amount of such loss.

Effective Date: 07/01/1993 Status: Effective

FERC Docket: RS92- 18-002

Original Sheet No. 82 Original Sheet No. 82 : Superseded

Service Request Form (Continued)

All requests for transportation should be mailed to:

Kentucky West Virginia Gas Company
Attn: Transportation Dept.
RE: SELF-IMPLEMENTING SERVICE REQUEST FORM
3500 Park Lane
Pittsburgh, PA 15275

This form is provided for the convenience of Customer in complying with the service request procedures of Rate Schedules FGS, FTS, IGS and ITS. Nevertheless, it is Customer's responsibility to provide all of the information necessary to satisfy Pipeline's Tariff.

(Customer)

Date: _____

Effective Date: 07/01/1993 Status: Effective

FERC Docket: RS92- 18-002

Original Sheet No. 83 Original Sheet No. 83 : Superseded

Deleted and reserved for future use.

Effective Date: 07/01/1993 Status: Effective

FERC Docket: RS92- 18-002

Original Sheet No. 83A Original Sheet No. 83A : Superseded

Deleted and reserved for future use.

Effective Date: 07/01/1993 Status: Effective

FERC Docket: RS92- 18-002

Original Sheet No. 84 Original Sheet No. 84 : Superseded

Service Request Form (continued)

Internal Use Only

1. Date and Time Request received _____
2. Sufficient Data (Y/N) _____
If no, date letter sent: _____
3. Agreement Date: _____
4. Agreement No.: _____
5. Nature, if any, of Customer's affiliation with Kentucky West Virginia Gas
Company _____

Effective Date: 07/01/1993 Status: Effective

FERC Docket: RS92- 18-002

Original Sheet No. 85 Original Sheet No. 85 : Superseded

Service Request Form (continued)

(i) Points of Receipt

Take-or-Pay Receipt Point (Yes/No)	Location of the Gas Production	Maximum Daily Receipt Obligation (dth & MCF)	Total for Term of Contract (dth & MCF)	Name of Pipeline, Gathering or Other Entity Delivering Gas into Pipeline's System	Is Supplier an affiliate of Pipeline?	Estimated Entry Pressure (psig)	Relief
---	---	--	---	---	---	--	--------

Percentage of gas for which service is requested for which Pipeline will receive take-or-pay relief.
_____ %

Effective Date: 07/01/1993 Status: Effective

FERC Docket: RS92- 18-002

Original Sheet No. 86 Original Sheet No. 86 : Superseded

Service Request Form (Continued)

(j) Points of Delivery

Delivery Point	Maximum Daily Delivery Obligation (dth & MCF)	Total for Term of Contract (dth & MCF)	Name of Party Receiving Gas
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Effective Date: 07/01/1993 Status: Effective

FERC Docket: RS92- 18-002

Original Sheet No. 87 Original Sheet No. 87 : Superseded

Service Request (continued)

Customer's Certification

_____ ("Customer") hereby certifies that:

- (1) Customer has title to, or a current contractual right to acquire such title to, the gas to be gathered and/or transported by Pipeline.
- (2) Prior to the commencement of service, Customer has or will enter into all necessary third party transportation agreements to transport the gas to the party ultimately receiving the gas.
- (3) Customer has a sales contract or will enter into such sales contract with the party ultimately receiving the gas prior to the commencement of service.

By: _____
Title: _____
Date: _____

Effective Date: 07/01/1993 Status: Effective

FERC Docket: RS92- 18-002

Original Sheet No. 88 Original Sheet No. 88 : Superseded

Deleted and reserved for future use.

Effective Date: 07/01/1993 Status: Effective

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INDEX OF FIRM CUSTOMERS

Name of Customer	Rate Schedule	Identification of Service Agreement		
		Dated	Effective	Term
Equitrans, Inc.	FGS FTS			
City of Paintsville, Kentucky	VGS VTS			
City of Prestonsburg, Kentucky	VGS VTS			
City of Prestonsburg, Kentucky (Emma)	VGS VTS			
East Kentucky Utilities, Inc.				
Allen	VGS VTS			
Garrett	VGS VTS			
Right Fork of Middle Creek	VGS VTS			
Johnson County Gas Company, Inc.	VGS VTS			
Mountain Utilities, Inc.	VGS VTS			
Mike Little Gas Company, Inc.				
Langley	VGS VTS			
Burton	VGS VTS			

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INDEX OF FIRM CUSTOMERS
(Continued)

Name of Customer	Rate Schedule	Identification of Service Agreement		
		Dated	Effective	Term
City of Wheelwright Util. Comm.	VGS VTS			
City of Hazard, Kentucky	VGS VTS			
Equitable Gas Company (KY)	VGS VTS			

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Second Revised Sheet No. 100 Second Revised Sheet No. 100 : Superseded
 Superseding: First Revised Sheet No. 100

GENERAL TERMS AND CONDITIONS
 INDEX TO PROVISIONS

Section No.	Provision	Sheet No.
1 . . .	Definitions	101
2 . . .	Term of Executed Service Agreement	102
3 . . .	Quality	104
4 . . .	Measurement	106
5 . . .	Measuring Equipment	107
6 . . .	Invoicing	109
7 . . .	Payments	110
8 . . .	Control and Possession of Gas	111
9 . . .	Warranty of Title to Gas and Indemnification	111
10 . . .	Equality of Services	112
11 . . .	Procedures for Requesting and Contracting for Service	112
12 . . .	Flexible Receipt and Delivery Points	116
12A . . .	Allocation of Mainline Capacity	118
13 . . .	Scheduling of Services	119
14 . . .	Curtailement of Service	124
15 . . .	Force Majeure	133
16 . . .	Operational Flow Orders	134
17 . . .	Non-Waiver of Future Defaults	137
18 . . .	Modification	137
19 . . .	Notices	137
20 . . .	Assignment	138
21 . . .	Termination for Default	138
22 . . .	Governmental Regulation	139
23 . . .	Descriptive Headings	139
24 . . .	Pregranted Abandonment	140
25 . . .	Capacity Release	142
26 . . .	Market Centers	151
27 . . .	Construction of Laterals	160
28 . . .	Gas Research Charge	162
29 . . .	Federal Energy Regulatory Commission Annual Charge Adjustment	163
30 . . .	Electronic Bulletin Board	164
31 . . .	Recovery of Transition Costs	165
32 . . .	Order No. 497 Compliance Procedures	168
33 . . .	Procedures for Addressing Transportation Complaints	168
34 . . .	Recovery of Natural Gas Policy Act Prices	169
35 . . .	Determination of Deliveries and Imbalances	169
36 . . .	Exit Fees	171
37 . . .	Interruptible Revenue Sharing	172
38 . . .	Discounting	173
39 . . .	Gas Industry Standards Board ("GISB")	173

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GENERAL TERMS AND CONDITIONS

1. DEFINITIONS

Except where the context otherwise indicates another or different meaning or intent, the following terms, when used herein or in any agreement incorporating these General Terms and Conditions, are intended and used and shall be construed to have meanings as follows:

- (a) The term "Bidder" shall mean a party submitting a bid to Pipeline's electronic communication system for released capacity.
- (b) The term "billing month" as used in Rate Schedule VTS shall be a period of four (4) or five (5) weeks, as the case may be, so that there are twelve (12) billing months in each year.
- (c) The term "British Thermal Unit" (Btu) shall mean the amount of heat required to raise the temperature of one (1) pound of water one degree (1 degree) Fahrenheit at sixty degrees (60 degrees) Fahrenheit. For reporting purposes, BTU conversion factors shall be reported to not less than 3 decimal places and Pressure Base conversion factors shall be reported to not less than 6 decimal places. For calculation purposes, not less than 6 decimal places shall be used for both conversion factors.
- (d) The term "business day" shall mean Monday through Friday, excluding Federal Banking Holidays for transactions in the U.S., and similar holidays for transactions in occurring in Canada and Mexico.
- (e) The term "central clock time" (CCT) shall mean central daylight time when daylight savings time is in effect and central standard time when daylight savings time is not in effect.
- (f) The term "contract year" as used in Rate Schedule FTS shall mean a consecutive twelve (12) month period beginning each December 1 and ending each November 30.
- (g) The term "contract year" as used in Rate Schedule VTS shall mean a consecutive twelve (12) month period beginning each May 1 and ending each April 30.
- (h) The term "day" or "gas day" shall mean a period of twenty-four (24) consecutive hours beginning and ending at 9:00 a.m. CCT.
- (i) The term "Dekatherm" (dth) shall mean the quantity of heat energy which is equivalent to 1,000,000 British Thermal Units. One (1) "dekatherm" of gas shall mean the quantity of gas which contains one (1) dekatherm of heat energy.

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Superseding: Original Sheet No. 102

GENERAL TERMS AND CONDITIONS (Continued)

- (j) The term "EDI" shall mean electronic data interchange as defined by the then-effective standards established by the Gas Industry Standards Board and approved by the Federal Energy Regulatory Commission.
- (k) The term "FERC" or "Commission" shall mean the Federal Energy Regulatory Commission or any successor governmental agency.
- (l) The term "Maximum Annual Contract Quantity" as used in Rate Schedules ITS, FTS and VTS shall mean the annual quantity of natural gas which Pipeline is obligated to receive and/or deliver under such rate schedule during any year for the account of any Customer.
- (m) The term "Maximum Daily Contract Quantity" as used in Rate Schedules ITS, FTS and VTS shall mean the Maximum Quantity of natural gas which Pipeline shall be obligated to receive and/or deliver under such rate schedule on any day for the account of any Customer.
- (n) The term "Mcf" shall mean one thousand (1,000) cubic feet of gas.
- (o) The term "month", shall mean the period beginning at 9:00 a.m. CCT, on the first day of a calendar month and ending at 9:00 a.m. CCT on the first day of the next succeeding calendar month.
- (p) The term "natural gas" shall mean either natural gas unmixed, or any mixture of natural and artificial gas.
- (q) The term "Nomination Period" shall mean a period of time Customer includes in a nomination for gas service.
- (r) The term "Prearranged Replacement Customer" shall mean a party with a prearranged bid for capacity that a Releasing Customer provides to Pipeline for posting on the electronic communication system.
- (s) The term "quantity of gas" shall mean the number of units of gas expressed in dekatherms unless otherwise specified.
- (t) The term "Releasing Customer" shall mean a firm Customer or Replacement Customer holding firm capacity under a service agreement that desires to release all or a portion of its firm capacity rights under Section 25 of the General Terms and Conditions.

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Original Sheet No. 102A Original Sheet No. 102A : Superseded

GENERAL TERMS AND CONDITIONS

- (u) The term "Replacement Customer" shall mean a Customer which has contracted to utilize a Releasing Customer's capacity for a specified period.
- (v) The term "total heating value" shall mean the number of British Thermal Units evolved by the complete combustion with air, at constant pressure, of one anhydrous (dry) cubic foot of gas under a pressure of 14.73 psia and a temperature of 60 degrees Fahrenheit and when the products of combustion are cooled to the initial temperature of the gas and air and the water formed by combustion is condensed to the liquid state.
- (w) The term "Transportation" shall mean the transportation of natural gas by Pipeline.

2. TERM OF EXECUTED SERVICE AGREEMENT

The period of time to be covered by any executed Service Agreement between the parties shall be as mutually agreed at the time of its execution and shall, unless otherwise provided, continue until terminated either by Pipeline or by Customer upon twelve (12) months' prior written notice to the other specifying a termination date at the end of such agreed period or any yearly period thereafter. The firm service agreement currently in effect for Pipeline is as follows:

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All MCF and dth Stated at 14.73 psia

Contract Quantity Dth	Date of Service Agreement	Dekatherms (dth) per MCF	Maximum Daily MCF	Contract Quantity Dth	Maximum Annual MCF
Equitrans, Inc. 26,378,706		1.0757	67,184	72,270	24,522,160
City of Paintsville, KY 595,163		1.2410	4,186	5,195	479,590
City of Prestonsburg, KY 394,477		1.2407	2,869	3,560	317,953
City of Prestonsburg, KY (Emma) 27,336		1.2363	240	296	22,111
East KY Utilities, Inc. (formerly Ohio-KY Util., Inc.) Allen 91,123		1.2417	703	873	73,386
Garrett 88,967		1.2658	362	458	70,285
Right Fork of Middle Creek 6,365		1.1196	57	64	5,685
Johnson County Gas Co., Inc. 33,290		1.2387	274	340	26,874
Mountain Utilities, Inc. 102,556		1.2403	744	923	82,688
Mike Little Gas Company, Inc. Langley 20,870		1.1878	176	209	17,571
Burton 97,292		1.2068	786	949	80,621
City of Wheelwright Utilities Commission (formerly Mountain Invest., Inc.) 45,140		1.2478	382	476	36,176
City of Hazard 461,009		1.2381	3,352	4,151	372,342
Equitable Gas Company (Ky.) 1,615,572		1.2564	10,872	13,678	1,285,854

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GENERAL TERMS AND CONDITIONS (Continued)

3. QUALITY

3.1 Natural or Artificial Gas

The gas delivered hereunder shall be a combustible gas consisting wholly of, or a mixture of:

- (a) Natural gas of the quality and composition produced in its natural state except that the Pipeline may extract or permit the extraction of any of the constituents thereof. Pipeline may remove butane, propane or any other hydrocarbons except methane, prior to the delivery of gas to or for Customer. If Pipeline does remove any such hydrocarbons, then in no event shall the natural gas delivered to or for Customer have a Total Heating Value of less than 960 British Thermal Units per cubic foot.
- (b) Gas generated by vaporization of Liquefied Natural Gas (LNG) or Liquefied Petroleum Gas (LPG).
- (c) Manufactured, reformed, or mixed gas consisting essentially of hydrocarbons of the quality and character of natural gas produced by nature.

3.2 Heating Value

- (a) No gas received for gathering or transportation hereunder shall have a total heating value at the point of receipt of less than 960 British Thermal Units (Btu) per cubic foot.
- (b) The total heating value shall be determined by a recording calorimeter or by other methods which Pipeline may employ from time to time. Pipeline shall have the right to collect from all Customers delivering gas to Pipeline at a common receipt point their volumetric pro rata share of the cost of any additional gas analysis and quality control equipment which Pipeline, at its reasonable discretion, determines is required to be installed at such receipt point to monitor the quality of gas delivered.

3.3 Freedom From Objectionable Materials

The gas received or delivered hereunder shall be commercially free from any solid or liquid matter which might interfere with its merchantability or cause injury to or interference with the proper operation of pipelines, regulators, meters, or other appliances. Except as provided below, all natural gas delivered to Pipeline at receipt points or delivered by Pipeline at delivery points shall conform to the following specifications:

GENERAL TERMS AND CONDITIONS (Continued)

- (i) Oxygen - The oxygen content shall not exceed one percent (1.0%) by volume and every reasonable effort shall be made to keep the gas delivered free of oxygen.
- ii) Liquids - The gas shall be free of water and hydrocarbons in liquid form at the temperature and pressure at which the gas is delivered. The gas shall in no event contain water vapor in excess of seven (7) pounds per million cubic feet.
- (iii) Hydrogen Sulphide - The gas shall not contain more than three-tenths (0.3) grain of hydrogen sulphide per one hundred (100) cubic feet.
- (iv) Total Sulphur - The gas shall not contain more than thirty (30) grains of total sulphur per one hundred (100) cubic feet.
- (v) Carbon Dioxide - The gas shall not have a carbon dioxide content in excess of three percent (3.0%) by volume.
- (vi) Dust, Gums and Solid Matter - The gas shall be commercially free of dust, gums and other solid matter.

Pipeline may accept natural gas which differs from the quality specifications set forth above until such time as Pipeline, in its reasonable discretion and judgment, determines that natural gas received for gathering or transportation must conform to the quality specifications set forth above to maintain desired standards in and/or prudent operation of Pipeline's system. Upon such a determination, Pipeline will notify Customer that all prospective deliveries must comply with the quality specifications set forth above or the provisions of paragraph 3.4 below shall be applicable to all natural gas tendered for transportation which does not so comply.

- 3.4 If, at any time, gas tendered by Customer for gathering or transportation or by Pipeline after gathering or transportation shall fail to substantially conform to any of the applicable quality specifications and Pipeline notifies the delivering party of such deficiency and the delivering party fails to remedy any such deficiency within a reasonable period of time, Pipeline may, at its option, refuse to accept delivery pending correction of the deficiency by the delivering party. In the alternative Pipeline may continue to accept delivery and make such changes necessary to cause the gas to conform to such specifications, in which event the delivering party shall reimburse Pipeline for all reasonable expenses incurred by Pipeline in effecting such changes. Failure by either Pipeline or Customer to tender deliveries that conform to any of the applicable quality specifications shall not be construed to eliminate, or limit in any manner, the rights and obligations existing under any other provisions of the executed Service Agreement and shall not limit Pipeline's right to refuse to accept deliveries from any Customer that fails to conform to applicable quality specifications at any time.

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GENERAL TERMS AND CONDITIONS (Continued)

4. MEASUREMENT

Determination of Quantity. The quantity of gas delivered hereunder shall be measured according to Boyle's and Charles' Laws for the measurement of gas under varying pressures and temperatures with deviations therefrom as provided in paragraph (g) below and shall be determined as follows:

- (a) The unit of volume for the purpose of measurement shall be 1,000 cubic feet (Mcf) of gas at a temperature of 60 degrees Fahrenheit and an absolute pressure of 14.73 pounds per square inch irrespective of the actual elevation above sea level of the point of measurement or of variations in barometric pressure.
- (b) The unit measurement for the purpose of sales and billing shall be one (1) dekatherm (dth), consisting of one million (1,000,000) British Thermal Units. The number of dekatherms delivered shall be determined by multiplying the number of Mcf of gas delivered, measured on the basis hereinafter specified, by the total heating value of such gas, in British Thermal Units per cubic foot, as defined in Section 1 above, and by dividing the product by one thousand (1,000).
- (c) The flowing temperature of the gas shall be determined by the continuous use of a recording thermometer at the delivery point or as agreed by both parties, and the average temperature of the gas at the delivery point, as computed by such method, shall be used in computing the deliveries of gas. If the flowing temperature of gas is not measured, the flowing temperature shall be assumed to be 60 degrees Fahrenheit.
- (d) The specific gravity of the gas delivered hereunder shall be determined by the continuous use of a recording gravitometer or as agreed by both parties and the average specific gravity at the delivery point, as computed by such method, shall be used in computing the deliveries of gas. If the Specific Gravity of the gas is not determined, the Specific Gravity shall be assumed to be .675.
- (e) The volumes of gas delivered hereunder shall be measured by meters of standard make and the measurement by orifice meter shall be computed in accordance with the methods prescribed in the Gas Measurement Committee Report No. 3, Natural Gas Department, American Gas Association, including the appendix thereto, as now and from time to time amended or supplemented.

First Revised Sheet No. 107 First Revised Sheet No. 107 : Superseded
Superseding: Original Sheet No. 107

GENERAL TERMS AND CONDITIONS (Continued)

- (f) The Total Heating Value shall be calculated pursuant to standards set forth in American Gas Association Report No. 5, or by other methods mutually agreed upon by Customer and Pipeline.
 - (g) The deviation of the gas from Boyle's and Charles' Law shall be determined in accordance with the Gas Measurement Committee Report No. 3 of the American Gas Association as now and from time to time amended, including the AGA manual for the determination of Supercompressibility Factors for Natural Gas.
- 4.1 Measurement Corrections. The cutoff for the closing of measurement is five (5) business days after the business month. If an error is discovered in the measured quantities, such error shall be adjusted within thirty (30) days of the determination thereof; provided, however, that any claim for adjustment shall be made within six (6) months of the production month in which the claimed error occurred. The time for dispute or resolution of the claim shall be three (3) months from the date the claim is made. Such time limits shall not apply in the case of deliberate omission or misrepresentation, or mutual mistake of fact, nor shall this provision diminish other statutory or contractual rights of the parties.

5. MEASURING EQUIPMENT

5.1 Measuring Equipment

All measuring facilities shall be installed, owned, maintained and operated as determined solely by the Pipeline and shall consist at the time of installation of the necessary metering devices, designed and installed in accordance with the current published recommendations of the American Gas Association.

5.2 Check Measuring Equipment

Customer may install, operate, and maintain, at its own expense, such check equipment as it shall desire, provided that such equipment shall be so installed as not to interfere with the operation of Pipeline's equipment. Pipeline shall have access to such check equipment at all reasonable hours.

5.3 Access to Equipment and Records

Each party shall have the right to be present at the time of any installing, reading, cleaning, changing, repairing, inspecting, testing, calibrating, or adjusting done in connection with the measuring equipment used in measuring deliveries hereunder. The records from such measuring equipment shall remain the property

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GENERAL TERMS AND CONDITIONS (Continued)

of their owner, but upon request each will submit to the other its records and charts, together with calculations therefrom, for inspection and verification, subject to return within thirty (30) days after receipt thereof. Except as expressly provided for herein, Customer shall have no rights of access to Pipeline's equipment.

5.4 Pressure Protection

Pressure regulation, pressure override, and pressure relief valves, or other pressure limiting devices installed and operated by the Pipeline at the measuring station, or point of delivery, shall only be for the purpose of operation and protection of the Pipeline's measuring equipment.

5.5 Testing of Meters

The accuracy of the Pipeline's measuring equipment shall be verified by Pipeline at reasonable intervals, and, if requested, in the presence of representatives of the Customer, or as agreed between both parties.

- (a) The Pipeline shall not be required to verify the accuracy of orifice meter equipment more frequently than once in any thirty (30) day period.
- (b) The Pipeline shall not be required to verify the accuracy of meter equipment, other than orifice meter equipment, more frequently than once in any ninety (90) day period.

5.6 Measuring Equipment Inaccuracy and Failure

The quantity of gas delivered hereunder during periods when the measuring equipment is out of service or registering inaccurately shall be estimated as follows:

- (a) If, upon test, any billing meter or related instrument or device of which are used in the registration, integration, or computation of quantities which affect the billing hereunder is found to be in error to the extent that it introduces not more than a two percent (2%) measurement error in the individual billing meter or meters affected, previous records of such equipment shall be considered accurate in computing deliveries hereunder; but such equipment shall be adjusted at once to function correctly. If, upon test, any such measuring equipment shall be found to be inaccurate to the extent that it causes the end result measurement of the individual billing meter or meters so

First Revised Sheet No. 109 First Revised Sheet No. 109 : Superseded
Superseding: Original Sheet No. 109

GENERAL TERMS AND CONDITIONS (Continued)

affected to be in error by an amount exceeding two percent (2%), at a recording corresponding to the average hourly rate of flow through the individual billing meter or meters affected, for the period since the last preceding test, then any previous registration, integration, or recordings of such billing meter or meters affected shall be corrected to zero error for any part of the period since the last test which such error is known to have existed or which may be agreed upon in actual practice by the operating representatives of the parties. In case the period of such error is not known definitely or is not agreed upon, such correction shall be for a period of one-half (1/2) of the time elapsed since the date of the last such test, but not exceeding a correction period of six (6) months.

- (b) If no tests have been performed to determine the degree of inaccuracy, or if measuring equipment is out of service, the quantity of gas shall be estimated:
 - (1) By using the registration of any existing and agreed upon check equipment considered by the parties concerned to be registering accurately; or, in the absence of such facilities
 - (2) By correcting the error if the quantity or percentage of error is ascertainable by calibration, test, or mathematical calculation; or, if neither of the two (2) foregoing procedures are applicable
 - (3) By relating the quantity of delivery to deliveries during periods under similar conditions when the measuring equipment was deemed to have been registering accurately.

5.7 Preservation of Records

Each party shall preserve for a period of at least two (2) years all test data, charts, and other similar records.

6. INVOICING

6.1 Monthly Invoice

Pipeline shall render invoices to Customer on or before the ninth (9th) business day of each month for all gas delivered and any reservation charges incurred during the preceding month the best available data. Invoices may be rendered by mail, fax, electronic communication, or EDI.

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First Revised Sheet No. 110 First Revised Sheet No. 110 : Superseded
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GENERAL TERMS AND CONDITIONS (Continued)

6.2 Access to Invoice Data

Both Pipeline and Customer shall have the right to examine, at reasonable times, the books, records, computer records, and charts of the other to the extent necessary to verify the accuracy of any statement, charge or computation made under or pursuant to any of the provisions hereof.

7. PAYMENTS

7.1 Payment

Customer shall pay Pipeline, on or before the twentieth (20th) day of each month, for the natural gas delivered to Customer or for Customer's account, plus any reservation or other charges incurred, during the preceding billing month. All payments shall be identified by the invoice number and if payment differs from invoiced amount, remittance detail should be provided with the payment.

7.2 Disputed Invoices

Should Customer fail to pay part or all of the amount of any invoice for gas delivered to Customer or for Customer's account, plus any reservation or other charges incurred, when such amount is due, Pipeline may charge interest on the unpaid portion of the invoice at the then applicable pipeline refund interest rate as published by the FERC from the due date until the date of payment. Customer shall pay the portion of the invoice not in dispute and shall provide written documentation identifying the basis for the dispute. If such failure to pay continues for thirty (30) days after payment is due, Pipeline, in addition to any other remedy it may have hereunder, may after any necessary authorization by regulatory bodies having jurisdiction, suspend further delivery of gas to Customer until such amount is paid. If Customer in good faith shall dispute the amount of any such invoice or parts thereof and shall pay to Pipeline such amounts as it concedes to

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First Revised Sheet No. 111 First Revised Sheet No. 111 : Superseded
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GENERAL TERMS AND CONDITIONS (Continued)

be correct, and at any time thereafter within thirty (30) days of a demand made by Pipeline shall furnish a good and sufficient surety bond guaranteeing payment to Pipeline of the amount ultimately found due upon such invoices after a final determination, which may be reached either by agreement or judgment of the courts as may be the case, then Pipeline shall not be entitled to suspend further delivery of gas unless and until default be made in the conditions of such bond. No payment by Customer of the amount of a disputed invoice shall prejudice the right of Customer to claim an adjustment of the disputed invoice.

7.3 Extension of Time

If presentation of invoices by Pipeline is delayed after the ninth (9th) business day of the month, then the time of payment shall be extended accordingly unless Customer is responsible for such delay.

7.4 Billing Errors

In the event an error is discovered in the amount invoiced in any statement rendered by Pipeline, such error shall be adjusted within thirty (30) days of the determination thereof; provided, however, that any claim for adjustment must be made within six (6) months from the date of such statement, with a three-month rebuttal period. Such time limits shall not apply in the case of government-required rate changes, deliberate omission or misrepresentation, or mutual mistake of fact, nor shall this provision diminish other statutory or contractual rights of the parties.

8. CONTROL AND POSSESSION OF GAS

Pipeline shall have no responsibility prior to its acceptance of natural gas pursuant to a Service Agreement at the Receipt Point(s) and after delivery at the Delivery Point(s), and Customer shall have sole responsibility for all arrangements necessary for delivery of natural gas to Pipeline at the Receipt Point(s) for gathering and/or transportation, and for all arrangements necessary for receipt of natural gas for the account of Customer at the Delivery Point(s), which arrangements otherwise meet the provisions set forth in these General Terms and Conditions.

9. WARRANTY OF TITLE TO GAS AND INDEMNIFICATION

Customer warrants that it will, at the time of delivery to Pipeline, have

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First Revised Sheet No. 112 First Revised Sheet No. 112 : Superseded
Superseding: Original Sheet No. 112

GENERAL TERMS AND CONDITIONS (Continued)

good and merchantable title to all gas so delivered free and clear of all liens, encumbrances, and claims whatsoever and agrees to indemnify Pipeline and save it harmless from all suits, actions, debts, accounts, damages, costs, losses, and expenses arising out of adverse claims of any or all persons to said gas and/or to royalties, taxes, license fees, or charges thereon which are applicable to such gas and/or the delivery of such gas to Pipeline.

10. EQUALITY OF SERVICES

Pipeline hereby states that the terms and conditions of service for all unbundled sales and unbundled gathering and/or transportation service provided under its FERC Gas Tariff are provided on a basis that is equal in quality for all shippers. All Customers can access all sellers of gas and receive the same quality of service on Pipeline whether their gas supplies are purchased from Pipeline or any other seller. Furthermore, no preference is afforded to any affiliate of Pipeline with respect to any service which Pipeline provides.

11. PROCEDURES FOR REQUESTING AND CONTRACTING FOR SERVICE

11.1 Requests for Service

To qualify for service under any of Pipeline's firm or interruptible rate schedules, a potential customer must submit a request for service in writing to Kentucky West Virginia Gas Company, c/o Transportation Department. Such request shall be considered valid only if it contains all the information specified in Section 11.2. In addition, requests for firm service must be accompanied by a refundable earnest money deposit of \$10,000. If the service request is accepted by Pipeline, the earnest money deposit will be applied against the first amounts due from the shipper to Pipeline until fully used. If the request is not accepted by Pipeline or if service is not otherwise offered, the earnest money deposit will be refunded with interest.

11.2 Form of Service Request

To be considered as a valid request, a request for service must contain the following information:

- a. Requestor's Identification - name, address, telephone number and representative of party requesting service
- b. Customer's Identification
 - (i) Name, address, telephone number and Dun & Bradstreet Number of Customer;

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FERC Docket: RP97-104-001

First Revised Sheet No. 113 First Revised Sheet No. 113 : Superseded
Superseding: Original Sheet No. 113

GENERAL TERMS AND CONDITIONS (Continued)

- (ii) Whether shipper is an interstate pipeline, intrastate pipeline, local distribution company, producer, marketer, or end user;
 - (iii) Whether shipper is acting for itself or on behalf of someone else.
- c. Type of Service Requested
- d. Gas Quantities Requested - The maximum daily quantity requested over the life of the delivery period allocated to each primary receipt and delivery point requested.
- e. Point(s) of Receipt
 - (i) The primary point(s) of entry into Pipeline's system;
 - (ii) Name and contact person for party delivering the gas.
- f. Point(s) of Delivery
 - (i) The primary point(s) of delivery by Pipeline;
 - (ii) Name and contact person for party receiving gas;
- g. Section 311 Information - If service is to be provided under Section 311 of the Natural Gas Policy Act, the service request must identify the intrastate pipeline or local distribution company on whose behalf the gas will be transported, and certify that on behalf of party will either: (1) hold title to the gas at some point in time for a purpose related to its function as an intrastate pipeline or local distribution company; or (2) have physical custody of, and transport the gas at some point in the transaction.
- h. Term of Service - the date service is requested to commence and the date of termination.
- i. Certification - Shipper has or will obtain title to the gas volumes requested in (d) above, and has entered into or will enter into all arrangements necessary to ensure all downstream transportation will be in place prior to the initiation of service.

GENERAL TERMS AND CONDITIONS (Continued)

11.3 Credit Evaluation

Pipeline's acceptance of a request for service is contingent upon the requesting party's satisfying a credit evaluation by Pipeline. To facilitate the credit evaluation, the requesting party will provide the following information as requested by Pipeline:

- a. Bank references.
- b. Year end audited financial statements together with the latest quarterly report.
- c. A list of all affiliates.
- d. A statement of whether the requesting party is operating under any bankruptcy or insolvency law or any law relating to the relief of debtors, reorganization or creditors assignment.
- e. Such other information as Pipeline deems necessary to evaluate the creditworthiness of the requesting party.

11.4 Credit Alternatives

Notwithstanding the terms and conditions herein, a customer that does not demonstrate creditworthiness has the option of receiving service by providing to Pipeline one of the following:

- a. An irrevocable letter of credit from a creditworthy financial institution in an amount equal to the cost of providing the maximum level of the customer's requested service for the shorter of a twelve (12) month period or the term of the customer's service agreement. Said letter of credit must have a minimum term of at least one year.
- b. Prepayment for service equal to the cost of providing the maximum level of a customer's requested service for the shorter of a twelve (12) month period or the term of the customer's service agreement.
- c. A guarantee of the customer's financial performance for the term of the service agreement from a creditworthy (as determined herein) affiliate or third party, in a form satisfactory to Pipeline.

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Original Sheet No. 115 Original Sheet No. 115 : Superseded

GENERAL TERMS AND CONDITIONS

11.5 Acceptance of Service Requests

Pipeline will evaluate and respond to requests for service as soon as is reasonably possible. Pipeline will accept those requests for firm service which satisfy all applicable operational and creditworthiness criteria when and to the extent that Pipeline determines that capacity is available in Pipeline's existing facilities which capacity is not subject to a prior claim by another customer or class of service under a pre-existing service agreement or certificate. Pipeline will accept those requests for interruptible service which satisfy all applicable operational and creditworthiness criteria.

11.6 Execution of Service Agreement

If a customer's request for service and credit evaluation comply with this Section 11 and Pipeline accepts customer's request for service, Pipeline will tender a service agreement to the customer. If the customer fails to execute and return the service agreement within 30 days, Pipeline may consider the request for service invalid and the service agreement shall be void, and Pipeline shall return any earnest money deposit given in accordance with Section 11.1. For interruptible service, the date and time of the execution of the service agreement will determine priority in Pipeline's interruptible queue.

11.7 Queue Priority For Pipeline's Interruptible Service

Pipeline will maintain a queue of executed service agreements for interruptible service. The queue of existing interruptible service agreements which is in effect on the effective date of this section will remain in effect with existing service agreement execution dates and specified receipt and delivery points undisturbed. Requests for quantities of interruptible service shall be fulfilled commencing with service to be charged at Pipeline's applicable maximum tariff rate then in effect under this tariff in sequence starting with the earliest executed service agreement for such service; next in order shall be service charged at a rate that is less than Pipeline's applicable maximum tariff rate, in sequence from the highest rate to the lowest rate. At each rate level which is below the maximum applicable rate, service shall be offered in sequence starting with the earliest executed service agreement for such service. For purposes of determining which is the earliest executed service agreement, each such agreement shall have both the date and time of day of execution.

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First Revised Sheet No. 116 First Revised Sheet No. 116 : Superseded
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GENERAL TERMS AND CONDITIONS (Continued)

12. FLEXIBLE RECEIPT AND DELIVERY POINTS

12.1 Primary Receipt and Delivery Points

All firm Customers receiving service pursuant to Part 284 will have primary receipt and delivery points specified in their service agreements. Existing firm Customers on the effective date of this section that retain their firm capacity rights also retain their priorities at the receipt and delivery points designated in their service agreements. Primary receipt and delivery points specified in a Customer's service agreement will be quantity specific by each point. The sum of the quantities specified at each primary receipt and delivery point must equal the maximum daily contract quantity specified in the service agreement.

12.2 Secondary Receipt and Delivery Points

All firm Customers receiving service pursuant to Part 284 will be permitted to nominate service on a secondary basis at all receipt and delivery points on Pipeline's system subject to the availability of capacity. Each secondary receipt and delivery point nomination may specify quantities up to the MDCQ. Pipeline will maintain on its electronic communications system a master index of primary receipt and delivery point allocations for Customers requesting secondary points.

12.3 Addition of Receipt and Delivery Points

A firm Customer may add primary receipt and delivery points at any time during the life of the service agreement subject to the agreement of Pipeline. Changes in primary receipt and delivery points will be permitted provided sufficient receipt or delivery capacity exists at the specified meter station. Changes in primary receipt and delivery points will be effective upon 48 hours notice from the Customer to Pipeline, and will be subject to ratification through an amended service agreement. No firm Customer will lose priority to Pipeline's mainline capacity by adding, deleting, or changing primary receipt or delivery points. However, a firm Customer will not gain priority at any receipt or delivery point over a pre-existing firm Customer designating the same point as a primary point.

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GENERAL TERMS AND CONDITIONS (Continued)

12.4 Receipt and Delivery Points for Interruptible Service

Customers in Pipeline's interruptible queue on the day before the effective date of this Section have receipt and delivery points specified in their service agreements. Pipeline will maintain a master receipt and delivery point index for Part 284 interruptible customers requesting service on or after the effective date of this Section. An interruptible customer will nominate receipt and delivery points from the master list, and may change receipt and delivery points with no impact on the customer's previously granted interruptible priority. Any request by a customer to increase its MDCQ in conjunction with any change in receipt or delivery points will be considered a new request for service and require the execution of a new service agreement and a new priority at the end of pipeline's interruptible queue. However, the customer may, at its option, retain its place in the interruptible queue under its existing service agreement and existing volumes with changes in receipt and delivery points as provided in this Section, and execute a second interruptible service agreement which would be at the end of the queue for the remaining volumes it wishes to transport.

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GENERAL TERMS AND CONDITIONS (Continued)

12A. Allocation of Mainline Capacity

12A.1 Initial Allocations

The initial allocation of mainline capacity will be made through conversions of existing Customers. Any uncontracted capacity will be placed on Pipeline's electronic communications system and EDI and allocated in conformance with Section 25 of the General Terms and Conditions of this Tariff.

12A.2 Subsequent Allocations

All subsequent allocations of mainline capacity will be based on the provisions of Section 25 of the General Terms and Conditions of this Tariff.

13. SCHEDULING OF SERVICES

13.1 Nominations

If a Customer desires service under the Pipeline's transportation rate schedules for any Nomination Period, as defined in Section 1(p) of these General Terms and Conditions, the Customer will submit a timely nomination to the Pipeline. All parties should support a seven-days-a-week, twenty-four-hours-a-day nominations process. It is recognized that the success of seven days a week, twenty-four hours a day nominations process is dependent on the availability of affected parties' scheduling personnel on a similar basis. Party contacts need not be at their ordinary work sites but should be available by telephone or beeper. The sending party should adhere to nomination, confirmation, and scheduling deadlines. It is the party receiving the request who has the right to waive the deadline. For submitting nominations the Customer must adhere to the following:

- a. All nominations should include Customer defined begin dates and end dates. All nominations excluding intra-day nominations should have roll-over options. Specifically, the Customers should have the ability to nominate for several days, months, or years, provided the nomination begin and end dates are within the term of the Customer's contract.
- b. All nominations should be considered original nominations and should be replaced to be changed. When a nomination for a date range is received, each day within that range is considered an original nomination. When a subsequent nomination is received for one or more days within that range, the previous nomination is superseded by the subsequent nomination only to the extent of the days specified. The days of the previous nomination outside the range of the subsequent nomination are unaffected. Nominations have a prospective effect only.
- c. Overrun quantities should be requested as a separate transaction and identified as such by using the appropriate nomination transaction type.
- d. A nomination is considered timely if submitted under either the timely nomination cycle or the evening nomination cycle. For the timely nomination cycle, the following times apply: a nomination must leave the control of the

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Substitute Third Revised Sheet No. 120 Substitute Third Revised Sheet No. 120 : Effective
Superseding: Second Revised Sheet No. 120

GENERAL TERMS AND CONDITIONS (Continued)

Customer either through the Pipeline's electronic communication system, EDI, or via facsimile no later than 11:30 a.m. CCT to be received by Pipeline by 11:45 a.m. CCT on the day prior to the first day of the Nomination Period. Pipeline will provide a quick response by noon CCT. For the evening nomination cycle, the following times apply: a nomination must leave the control of the Customer no later than 6:00 p.m. CCT to be received by Pipeline by 6:15 p.m. CCT on the day prior to the first day of the Nomination Period. Pipeline will provide a quick response by 6:30 p.m. CCT.

- e. The nomination and intra-day nomination shall contain the following information:
- (i) The Customer's name, contact person, and service agreement number(s) under which service is nominated;
 - (ii) The transaction type and package ID if applicable;
 - (iii) The beginning and ending dates for the nomination which must fall within the term of the Customer's service agreement;
 - (iv) The specific daily quantity of gas requested under each service agreement for each day of the calendar month the Nomination Period;
 - (v) The desired receipt and delivery points and the nominated quantity associated with each. Delivery point quantity shall be adjusted to reflect the reimbursement of fuel to Equitrans in kind. The standard fuel calculation mechanism, as this is related to the nomination process, is $(1 - \text{fuel}\% / 100)$ multiplied by receipt quantity rounded to the nearest dekatherm ' delivery quantity. Pipeline will not reject a nomination for reasons of rounding differences due to fuel calculation of less than 5 Dth;
 - (vi) The names of entities who will deliver gas to Pipelines if available and who will receive gas from Pipeline, along with upstream and downstream contract numbers and contact person;

Second Revised Sheet No. 120A Second Revised Sheet No. 120A : Superseded
Superseding: First Revised Sheet No. 120A

GENERAL TERMS AND CONDITIONS (Continued)

- (vii) If deliveries are to be into a pool on the Columbia Gas Transmission system, the identity of the pool operator and verification that the pool operator will be responsible for any imbalances;
- (viii) The portion of the nominated quantities designated for imbalance correction purposes;
- (ix) Whether the nomination will roll over after the end of the Nomination Period; and
- (x) Any business-conditional and/or mutually-agreeable data elements which may be needed for the Pipeline to perform the service and satisfy the other operational constraints on its system.

13.2 Intra-Day Nominations

The Customer shall have the right to submit an intra-day nomination prior to gas flow to revise its scheduled quantities, point(s) of receipt, and/or point(s) of delivery on a prospective basis. Such intra-day nomination shall only be implemented to the extent that the Pipeline is able to confirm the receipt and delivery of such gas. There are two intra-day nomination cycles: (i) intra-day nomination 1 cycle, a nomination must leave the control of the Customer either through the Pipeline's electronic communications system, EDI, or via facsimile no later than 10:00 a.m. CCT to be received by the Pipeline by 10:15 a.m. CCT on the same day of gas flow to be effective at 5:00 p.m. CCT that same day. The Pipeline will provide a quick response by 10:30 a.m. CCT, and (ii) intra-day nomination 2 cycle, a nomination must leave the control of the Customer no later than 5:00 p.m. CCT to be received by the Pipeline by 5:15 p.m. CCT on the same day of gas flow to be effective 9:00 p.m. CCT that same day. The Pipeline will provide a quick response by 5:30 p.m. CCT. Intra-day nominations may be used to nominate new supply or market. An intra-day nomination shall specify Customer's service requirement for one day only and shall include the effective date and time. Intra-day nominations do not replace the remainder of a standing nomination. There is no need to re-nominate if intra-day nomination modifies existing nomination. There is no limitation as to the number of intra-day nominations which a Customer may submit at any one standard nomination cycle or in total across all standard nomination cycles. The Pipeline may limit the Customer to one transmittal of nominations per standard intra-day nomination

Second Revised Sheet No. 120B Second Revised Sheet No. 120B : Superseded
Superseding: First Revised Sheet No. 120B

GENERAL TERMS AND CONDITIONS (Continued)

cycle excluding corrections of errors identified in the quick response for an interim period expiring April 1, 1999.

13.3 Agents

A Customer may use an agent, which may be Pipeline, to provide all or a portion of its necessary nomination data, provided that Pipeline receives advance written notice of such agency relationship. A Customer that uses an agent for nomination purposes shall hold Pipeline harmless for all actions or inactions of the Customer's agent.

13.4 Scheduling and Receipt and Delivery Allocation

a. Scheduling

Pipeline will confirm all nominations with the Customer's designated contacts for upstream and downstream transportation. Timely nominations will be confirmed by 3:30 p.m. CCT and by 4:30 p.m. CCT the Pipeline will provide scheduled quantities to its Customers. Evening nominations will be confirmed by 9:00 p.m. CCT and by 10:00 p.m. CCT the Pipeline will provide scheduled quantities to its Customers and give notice to bumped parties. Intra-day 1 nominations will be confirmed by 1:00 p.m. CCT and by 2:00 p.m. CCT the Pipeline will provide scheduled quantities to its Customers and give notice to bumped parties. Intra-day 2 nominations will be confirmed by 8:00 p.m. CCT and by 9:00 p.m. CCT the Pipeline will provide scheduled quantities to its Customers. The Pipeline shall schedule receipts and deliveries of gas in the following sequence:

- (i) First, among firm Customers nominating service at primary receipt and delivery points, up to contractual quantities specified for such points;
- (ii) Second, among firm Customers nominating service at secondary receipt and delivery points. Where nominations for secondary points exceed available capacity at that point, capacity will be allocated pro-rata based on the ratio of Customers' nominations as applied to the capacity available at the constrained points.
- (iii) Third, among interruptible Customers at the nominated receipt and delivery points in accordance with the

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GENERAL TERMS AND CONDITIONS (Continued)

priority established in Pipeline's interruptible queue from highest priority to lowest priority. Where interruptible service nominations at any point exceed available capacity and the nominating Customers share equal queue priority, capacity will be allocated pro-rata based on the ratio of Customers' nominations as applied to the capacity available at the constrained points.

b. Receipt and Delivery Allocation

- (1) All Customers will be allowed to aggregate volumes at any field receipt point on Pipeline's system and deliver those quantities anywhere on the system, subject to capacity constraints. When more than one receipt point or delivery point is designated, Customer and Pipeline shall agree as to the maximum amount of gas to be received or delivered at any time at each such receipt point or delivery point (the total of which amounts may not exceed the Maximum Daily Contract Quantities) and, subject to the limitations so established, Customer shall from time to time take or cause to be taken any and all action necessary or desirable with respect to the allocation of gas at such receipt point(s) or delivery point(s), including the issuing of predetermined allocations or instructions to Pipeline and Pipeline may rely on any such predetermined allocations or instructions and will receive or deliver gas in accordance with such predetermined allocations or instructions. Types of allocation methods include, but are not limited to Ranked, Pro-Rata, Percentage, Swing and Operator Provided Value. Only one predetermined allocation methodology shall be applied per allocation period. The types of allocation methodologies is a list from which two parties may agree. If the two parties cannot agree upon an allocation methodology, pro rata based upon confirmed nominations shall be used as the default method. The party responsible for custody transfer (the party performing the measurement function) shall provide the allocation. When two or more persons are Customer under the same Service Agreement with Pipeline, an agent shall be designated and authorized to act on behalf of all such persons with respect to such predetermined allocations and instructions. Predetermined

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Superseding: First Revised Sheet No. 122

GENERAL TERMS AND CONDITIONS (Continued)

allocations must be submitted by the Customers after or during confirmations and prior to the start of the gas day which the allocation will govern. Pipeline shall acknowledge the receipt of the predetermined allocation within fifteen (15) minutes of its receipt. Once confirmed, such allocation will govern all transportation activity at the specified point for the Nomination Period. No retroactive reallocation of transactions will be made unless agreed to by Pipeline and all affected parties.

- (2) When Pipeline receives gas from more than one Customer at a common receipt point or delivers gas to more than one Customer at a common delivery point, Pipeline shall apportion the total measured receipt or delivery to each Customer pro rata based on the nominations of each such Customer; provided however, Pipeline shall rely upon any predetermined allocation or instruction agreed to between such Customers in apportioning the total measured receipt or delivery.
- (3) Pipeline shall not be required to lower its system operating pressure, or to alter the direction of gas flow, the gas load, or other operation or utilization of its facilities in order to receive, transport or deliver gas. Deliveries of gas to Pipeline by Customer at the points of receipt under the Service Agreement shall be at natural reservoir pressure without compression and sufficient to cause the gas to enter Pipeline's facilities; provided, however, that compression may be utilized by Customer with the prior written consent of Pipeline. Deliveries of gas by Pipeline to Customer at the points of delivery under the Service Agreement shall be at the pressure that exists in Pipeline's facilities at that point from time to time. Pipeline's MAOP at relevant points on the system shall be specified in each Service Agreement. Pipeline will post routine maintenance and any regulatory compliance activities which may affect scheduling.
- (4) By the end of each day, Pipeline shall make available to the Customer information containing its scheduled quantities including its scheduled intra-day nomination and any other scheduled changes with respect to this

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GENERAL TERMS AND CONDITIONS (Continued)

process via EDI the Pipeline will send the scheduled quantity document to the Customer unless the Customer waives the Pipeline from sending the scheduled quantity document.

- c. Disputed Allocations. The Customer must notify the Pipeline of any dispute in allocations within six (6) months of the initial month-end allocation, with a three (3) month rebuttal period. Such time limits shall not apply in the case of deliberate omission, misrepresentation, or mutual mistake of fact, nor shall this provision diminish other statutory or contractual rights of the parties.

13.5 Customer Acceptance

In the event that any Customer is scheduled to receive any portion of its service on a pro-rated basis, and elects not to accept the pro-rated capacity, it must notify Pipeline of its election within one hour after receiving notification of proration of capacity. Pipeline will then offer the relinquished quantity of pro-rated capacity to the other Customers(s) for whom service was pro-rated.

13.6 Bump Policy

Once all or a portion of the nomination of a Customer is accepted and scheduled pursuant to Section 13.5 during Nomination Period, said daily scheduled service shall not be interrupted or curtailed at any point on Pipeline's system unless: (1) interruption or curtailment is necessary for reasons of force majeure pursuant to Section 15 of these General Terms and Conditions; or (2) such capacity is required to provide a higher priority service as a result of a nomination received during the timely nomination cycle, evening nomination cycle or intra-day nomination 1 cycle. Bumping is not allowed during the intra-day nomination 2 cycle. The Pipeline will provide timely notification in the same manner of notice for Operational Flow Orders in Section 16.3 of these General Terms and Conditions to any Customer whose scheduled quantities are bumped as a result of a timely nomination, evening nomination or intra-day 1 nomination. In determining priority of service, firm service at a primary or secondary point shall have higher priority than interruptible service at the same point, and firm service at a primary point shall have higher priority than firm service at a secondary point.

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Second Revised Sheet No. 124 Second Revised Sheet No. 124 : Superseded
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GENERAL TERMS AND CONDITIONS (Continued)

13.7 Posting of Subscribed and Available Capacity

No later than the first day of the calendar month, Pipeline will post on its electronic communications system and via EDI to reflect the capacity which remains unbooked after completion of the nomination process, and is available for that month on its mainline transmission system and at each major receipt and delivery point. Customers may nominate available capacity during the month in accordance with the procedures set forth in Sections 13.1 and 13.2. If, as the result of changes in nominations or new nominations received during the Nomination Period, Pipeline determines that it has additional capacity available on its system, Pipeline will post the additional capacity on its electronic communications system and via EDI.

13.8 Scheduling Penalties

Subject to the other provisions of its tariff, Pipeline will endeavor to make daily delivery at delivery points of quantities equivalent to those received for the Customer at receipt points less applicable retainage. To the extent that Pipeline is able to determine a violation of these scheduling procedures during the months at any point on its system, Pipeline will notify all Customers with flowing gas at that point to bring receipts and deliveries into compliance with nominations. Except as provided in Section 35 of the General Terms and Conditions, Pipeline does not propose to charge penalties to any Customer resulting from monthly imbalances between scheduled receipts and deliveries at points other than interconnections with interstate pipeline systems, nor will penalties be imposed respecting a Customer's deliveries to another interstate pipeline, so long as such interstate pipeline does not require Pipeline to execute an Operating Balancing Agreement and the shipper receiving the gas on the interstate pipeline is responsible for any imbalances.

GENERAL TERMS AND CONDITIONS (Continued)

14. CURTAILMENT OF SERVICE

14.1 Generally

If on any day Pipeline determines that its system, or any portion thereof, is unable to receive or deliver the total requirements of gas which it is otherwise obligated to receive or deliver, Pipeline shall have the right to curtail, interrupt, or discontinue service, in whole or in part, on the affected portions. Such curtailment may occur for reasons of force majeure, as defined in Section 15, or when necessary in Pipeline's reasonable judgment to meet its system operating requirements or other higher priority service obligations.

14.2 Service Priority Under Capacity Curtailment

In circumstances of curtailment and subject to the operating requirements of its system, Pipeline shall reduce each Customers' scheduled service, to zero if necessary, in the following order:

- (i) Scheduled interruptible service in accordance with the priority established in Pipeline's interruptible queue, from lowest priority to highest priority. Where interruptible shippers share the same queue priority, service will be curtailed on a pro-rata basis;
- (ii) Scheduled firm services on a pro-rata basis.

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GENERAL TERMS AND CONDITIONS (Continued)

14.3 Service Priority Under Gas Supply Curtailment

- A. If a gas supply is maintained by Pipeline, curtailment will be as follows: During any curtailment period Pipeline shall operate its system to the best of its ability to apportion its available gas supply among Customers based on the following end-use priorities, notwithstanding any other provision of this Tariff or any Service Agreement between Pipeline and Customer, to wit:
1. Residential, small commercial (less than 50 dth on a peak day), schools, hospitals, police protection, fire protection, sanitation facility, or correctional facility.
 2. Essential agricultural requirements as certified by the Secretary of Agriculture.
 3. Essential industrial process and feedstock uses.
 4. Large commercial requirements (50 dth or more on peak day), firm industrial requirements for plant protection, feedstock and process needs, pipeline customer storage injection requirements, and firm industrial sales up to 300 dth per day.
 5. All industrial requirements not specified in 2, 3, 4, 6 or 7 hereof.
 6. Firm industrial requirements for boiler fuel use of more than 300 dth per day, where alternate fuel capabilities can meet such requirements.
 7. Interruptible requirements of more than 300 dth per day, where alternate fuel capabilities can meet such requirements.
- B. The definitions of terms for the priority of service categories are as follows:
1. Residential: Service to customers which consists of direct natural gas usage in a residential dwelling, including apartments and other multi-unit buildings, predominately for space heating, air conditioning, cooking, clothes drying, water heating and other residential uses.

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Original Sheet No. 126 Original Sheet No. 126 : Superseded

GENERAL TERMS AND CONDITIONS (Continued)

2. Hospital: Service to a facility, the primary function of which is delivering medical care to patients who remain at the facility including nursing and convalescent homes but excluding outpatient clinics or doctor's offices.
3. Schools: Service to a facility, the primary function of which is to deliver instruction to regularly enrolled students in attendance at such facility.
4. Essential Agricultural: Service to customers for natural gas usage which is certified by the Secretary of Agriculture pursuant to 7 C.F.R. 2900, et seq. exclusive of requirements as to which the Commission has determined in 18 C.F.R. Part 281, Subpart C, that an alternative fuel is reasonably available and economically practicable.
5. Essential Industrial Process and Feedstock Uses: Any use which falls within the definition prescribed by the Secretary of Energy pursuant to Section 402 of the Natural Gas Policy Act of 1978. Until such time as the Secretary of Energy prescribes the rule required by Section 402 of the Natural Gas Policy Act of 1978 and the Commission implements said rule, Customers' end uses shall be assigned to Priority 3 to the extent they fall within the definitions of industrial "Feedstock gas" and "process gas" set forth in 11 and 12, respectively, of these definitions.
6. Commercial: Service to customers engaged primarily in the sale of goods or services including institutions and local, state, and federal government agencies for use other than those involving manufacturing or electric power generation.
7. Industrial: Service to customers engaged primarily in a process which creates or changes raw or unfinished materials into another form of product including the generation of electric power.
8. Firm Service: Service from schedules or contracts under which Pipeline is expressly obligated to deliver specific quantities within a given time period and which anticipates no interruptions, but which may permit unexpected interruption in case the supply to higher priority customers is threatened.

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GENERAL TERMS AND CONDITIONS (Continued)

9. Interruptible Service: Service from schedules or contracts under which Pipeline is not expressly obligated to deliver specific quantities within a given time period, and which anticipates and permits interruption on short notice, or service under schedules or contracts which expressly or impliedly require installation of alternate fuel capability.
 10. Plant Protection Gas: Minimum quantities required to prevent physical harm to the plant facilities or danger to plant personnel when such protection cannot be afforded through the use of an alternate fuel.
 11. Feedstock Gas: Natural gas used as raw material for its chemical properties in creating an end product.
 12. Process Gas: Gas use for which alternate fuels are not technically feasible such as in applications requiring precise temperature controls and precise flame characteristics. For purposes of this definition propane and other gaseous fuels shall not be considered alternate fuels.
 13. Boiler Fuel: Natural gas used as a fuel for the generation of steam or electricity, including the utilization of gas turbines for the generation of electricity.
 14. Alternate Fuel Capabilities: A situation where an alternate fuel could have been utilized whether or not the facilities for such use have actually been installed; provided however, where the use of natural gas is for plant protection, feedstock, or process uses and the only alternate fuel is propane or other gaseous fuel, then the consumer will be treated as if that consumer had no alternate fuel capability.
- C. The priorities of delivery set forth above, and the apportioning of available gas supply as provided for in Section 14.3 of this Article, will be applied to Pipeline's deliveries during curtailment periods. The above list of priorities requires the full curtailment of the lower priority

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GENERAL TERMS AND CONDITIONS (Continued)

category quantities to be accomplished before curtailment of any higher priority quantities is commenced. Additionally, the above list requires both the direct and indirect customers of the Customer that use gas for similar purposes to be placed in the same category of priority.

- D. The priorities of delivery for each Customer are set forth in the index of entitlements provided for in this Section 14. During any period in which Pipeline has invoked curtailment under this Section 14, the index of entitlements effective at the commencement of such curtailment period shall remain effective for the duration of such curtailment period and shall not be changed during such period.

14.4 Customer Reports

Each Customer shall promptly furnish such information as Pipeline may request from time to time to implement any curtailment under this Section, including, but not limited to, (1) the Customer's monthly requirements from Pipeline by priority of service categories with supporting data, including information of individual industrial customers served by Pipeline's customers and (2) the periodic deliveries from Pipeline planned by the Customer to implement any allocation of deliveries made effective under this Section during any curtailment period.

14.5 Curtailment Apportioning

During each month of any curtailment period, and subject to the priorities of delivery set forth in Section 14.3 above and pursuant to the index of entitlements established for each Customer under this Section, Pipeline shall operate its system to the best of its ability to sell and deliver to each of its Customers, as a maximum, the percentage of Pipeline's total available gas supply which is equal to the percentage obtained by dividing Pipeline's total sales and deliveries to Customer during the same month of the year next preceding the month in which the curtailment occurs by the total sales and deliveries of Pipeline during that month. Should curtailment be invoked by Pipeline, Pipeline shall, as soon as practicable, notify Customer of those quantities of gas available hereunder for sale and delivery to Customer during each month of the curtailment period.

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GENERAL TERMS AND CONDITIONS (Continued)

14.6 Special Adjustment Procedure

- A. If any Customer shall notify Pipeline, pursuant to the notification procedure set forth in Section 14.6(b) hereof, that for any curtailment period, such customer's apportioned share of gas will result in emergency conditions, including environmental emergencies, irreparable injury to life or physical property, or in such Customer's inability to serve minimum plant protection quantities when operations are shut down, and that such Customer has to the extent feasible scheduled the use of all alternate sources of supply available for the curtailment period involved, Pipeline, having satisfied itself that the Customer is entitled thereto, shall permit a special adjustment to such Customer's apportioned share of gas equal to the quantity required to avoid such emergency to the extent Pipeline can permit such adjustment without creating similar emergencies for other Customers or jeopardizing Pipeline's operating program; provided, however, that no Customer shall be entitled to receive on any day or in any period a quantity in excess of its contract quantity limitations and that any Customer receiving a special adjustment shall return the quantity involved to Pipeline before resuming any interruptible services; and provided further that, if Pipeline determines that it is necessary, Pipeline may offset any such special adjustment by reductions of the apportioned share of gas of other Customers pursuant to the procedures specified in Section 14.3 hereof. This special adjustment procedure may not be used by any party, however, to increase its priority level or to raise a lower priority user to a higher priority level.
- B. A Customer shall obtain such special adjustment by delivering a written request to Pipeline, but each Customer obtaining a special adjustment shall mail to Pipeline, within 48 hours after the delivery of said written request, an affidavit certifying the detailed facts concerning the emergency involved and showing that such Customer has met the criteria specified herein for each such special adjustment for the period thereof.

14.7 Limitation of Pipeline's Obligation to Serve

Pipeline shall endeavor to acquire the gas supplies necessary to serve all Customers' full contractual entitlements. Notwithstanding Pipeline's efforts, however, it may not have sufficient gas supplies to serve all Customers' full contractual

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GENERAL TERMS AND CONDITIONS (Continued)

entitlements in the future. In such event, Pipeline shall not be liable for any losses or for either actual or consequential damages arising out of its failure to have sufficient gas supplies for delivery to Customers, and Pipeline's implementation of the curtailment procedures set forth in this Section 14 shall constitute full compliance with its delivery obligations under this Tariff, except to the extent its failure to have sufficient gas supplies is shown to be the result of its own negligence or misfeasance.

14.8 Decrease in Reservation Charge for Failure to Make Full Delivery

If Pipeline, during any curtailment period, fails or is unable to deliver to Customer during any one or more days the quantity of natural gas which Customer is entitled to take and would in good faith have purchased, up to the maximum quantity of natural gas which Pipeline is obligated by the gas sales contract to deliver to Customer, then the reservation charge as otherwise computed under any rate schedule containing a reservation charge in this Tariff shall be reduced by an amount equal to the applicable daily reservation charge per dth times the difference between the quantity of natural gas actually delivered during said day or days and the quantity of natural gas scheduled by Customer for delivery during said day or days.

14.9 Unauthorized Overrun Penalty

If, during any curtailment period whether due to capacity or gas supply limitations any Customer takes, without Pipeline's advance approval, a quantity of natural gas in excess of the maximum amount to which it is entitled pursuant to this Section, said quantity shall constitute unauthorized overrun quantity. For each dth of such unauthorized overrun quantity taken by such Customer, such Customer shall pay to Pipeline a penalty of ten dollars (\$10.00) together with and in addition to the reservation, commodity, gas penalty charges and other charges otherwise payable by such Customer for the period in which said unauthorized overrun quantity was taken; provided, however, if, due to mechanical failure or inadvertent human error, any customer, while exercising reasonable prudence, takes overrun gas, then such Customer may request Pipeline to grant relief if, during the period the overrun payment was incurred, deliveries to Pipeline's other customers were not unduly adversely affected thereby and/or Pipeline's operations were not materially impaired thereby. Neither the payment of a penalty for unauthorized overrun, nor the

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Original Sheet No. 131 Original Sheet No. 131 : Superseded

GENERAL TERMS AND CONDITIONS (Continued)

waiver of such penalty by Pipeline, shall under any circumstances be considered as giving any such customer the right to take unauthorized overrun; nor shall any such payment or waived payment be considered as a substitute for any other remedies available to Pipeline or any other Customer against the offending Customer for failure to adhere to its obligations under the provisions of this Section 14.

14.10 Disposition of Penalty

In December of each year, if Pipeline has collected during the prior 12 month period, overrun penalty charges, as provided in Section 14.9 hereof, Pipeline shall disburse the amount collected to those of its Customers which on any day during the twelve months ending the preceding October failed to receive the quantity of natural gas to which they were entitled under their contracts with Pipeline and which in good faith they would have purchased from Pipeline, but were unable to because of the taking of unauthorized overrun quantities by another Customer within the meaning of Section 14.9 of this Section. Such disbursement shall be computed at the rate of ten dollars (\$10.00) per dth, or such lesser rate as will distribute proportionately among Customers entitled to payments hereunder all overrun penalties collected by Kentucky West under Section 14.9 of this Section during the above-described twelve-month period, for each dth of gas which such Customer failed to receive as hereinabove provided.

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GENERAL TERMS AND CONDITIONS (Continued)

15. FORCE MAJEURE

Neither Pipeline nor Customer shall be liable in damages to the other for any act, omission or circumstance occasioned by or in consequence of any acts of God, strikes, lockouts, acts of the public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lightening, earthquakes, fires, storms, floods, washouts, arrests and restraints of rulers and peoples, civil disturbances, explosions, breakage or accident to machinery or lines of pipe; curtailments or interruptions of gas service which may be required, on notice by Pipeline to Customer, under any regulation or order of, or any rule filed with and accepted by, any regulatory body having jurisdiction; any other binding order which has been resisted in good faith by all reasonable legal means; and any other cause, whether of the kind enumerated or otherwise, not reasonably within the control of the party claiming suspension and which by the exercise of due diligence such party is unable to prevent or overcome. Failure to prevent or settle any strike or strikes against the Pipeline or the Customer shall not be considered a matter within the control of the party claiming suspension. Such causes or contingencies affecting the performance under the Service Agreement by either Pipeline or Customer, however, shall not relieve it of liability in the event of its concurrent negligence or in the event of its failure to use due diligence to remedy the situation and to remove the cause in an adequate manner and with all reasonable dispatch, nor shall such causes or contingencies affecting such performance relieve either party from its obligations to make payment of amounts then due hereunder in respect of gas theretofore delivered. Failure or interruption of transportation of gas either upstream or downstream of Pipeline's system shall not constitute a force majeure event for purposes of Customer's responsibility to pay the reservation charges otherwise owing under Pipeline's transportation rate schedules.

During the effectiveness of any operational flow order, the obligation of Pipeline to deliver the quantity of gas received for Customer's account shall be reduced by the quantities retained pursuant to this section. Gas retained by Pipeline under an operational flow order may be utilized to meet demands for compressor fuel, to replace lost gas, or to replace line pack reduced due to unscheduled maintenance, or for other similar uses.

The volumes of gas retained by Pipeline under an operational flow order which otherwise would have been delivered to a customer will be offset against the imbalance of over-deliveries to that customer in subsequent months until the volume is reduced to zero. In addition, no imbalance, scheduling, or other penalty will be assessed against a customer whose imbalance is attributable to an operational flow order pursuant to this section.

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GENERAL TERMS AND CONDITIONS (Continued)

16. OPERATIONAL FLOW ORDERS

16.1 Generally

An operational flow order is an order issued to alleviate conditions, inter alia, which threaten or could threaten the safe operations or system integrity, of the Pipeline's system or to maintain operations required to provide efficient and reliable firm service. Whenever the Pipeline experiences these conditions, any pertinent order shall be referred to as an Operational Flow Order ("OFO"). In the event that Pipeline determines, in its sole discretion, that in order to permit the continued operation of all or part of its system a quantity of gas must be received or delivered at any point or location on its system, and that such operating requirement cannot be accomplished using the facilities and gas supply under Pipeline's control in the time period necessary, Pipeline may issue OFOs which shall require specified action on the part of Customers, and which shall be applied on a nondiscriminatory basis to all quantities flowing at the designated points on Pipeline's system at which action is required.

16.2 Operational Flow Order Condition in Customer Service Agreements

All firm and interruptible transportation and/or gathering Service Agreements will contain a provision guaranteeing Pipeline's right to issue an OFO directly to any supplier, operator, transporter or owner of Customer's gas. Customer may take direct responsibility for ensuring compliance with an OFO, or at its option, may use an agent, which may be Pipeline, for ensuring compliance. Such election must be made prior to executing the Service Agreement, and may be changed upon reasonable notice to the Pipeline.

16.3 Notice

Each Customer shall designate one or more persons for Pipeline to contact on a 24-hour per day, 365 days a year basis. If Pipeline invokes its rights under this section, it will provide actual notice of OFOs to the affected Customers by telephone or facsimile transmission, containing the following information:

- (i) The point(s) or location(s) on Pipeline's system at which Pipeline requires action in order to maintain system operations;
- (ii) The conditions which necessitate the issuance of the OFO and specific responses required from the affected parties.

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GENERAL TERMS AND CONDITIONS (Continued)

(v) The period of time during which Pipeline expects the flow order to remain in effect.

If Pipeline is unable to contact any Customer because customer's contact person is unavailable, Pipeline shall take all actions necessary to effectuate such operational flow order and the Customer shall be solely responsible for any consequences arising from such failure of communication.

16.4 Posting

Pipeline will post all operational flow orders on its electronic communications system. Operational flow orders will remain posted for the entire period they are effective.

16.5 Types of Operational Flow Orders

Pipeline shall have the right to issue operational flow orders for the purposes set forth below:

a) System Maintenance

Pipeline may direct Customers under Rate Schedules FTS, VTS and ITS to increase or decrease receipts of flowing gas at specified receipt points or in specified line segments in order to accommodate required maintenance, either scheduled or unscheduled.

(b) System Operation

- (1) Pipeline may direct Customers under Rate Schedules FTS, VTS or ITS to increase or decrease receipts of flowing gas in order to maximize available compressor station horsepower on high demand days, maximize system capacity, maintain proper receipt distribution on its system, or alleviate high system pressures.
- (2) Pipeline may direct Customers under Rate Schedules FTS, VTS or ITS to decrease deliveries in the event that delivery pressure at one or more delivery points drops below, or is expected to drop below, reasonable operating limits.

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GENERAL TERMS AND CONDITIONS (Continued)

- (2) Pipeline may direct Customers under Rate Schedules FTS, VTS or ITS to decrease deliveries in the event that delivery pressure at one or more delivery points drops below, or is expected to drop below, reasonable operating limits.

If an OFO is issued for any reason other than those described in the preceding paragraphs (a), (b), and (c), Pipeline will post on its electronic communications system, via EDI and send to the Commission a detailed explanation containing all relevant information specific to that individual situation.

16.6 Compliance

Compliance with OFOs issued by Pipeline is essential to Pipeline's ability to provide services under all of its rate schedules. If any Customer fails to comply with an OFO on the day and time of its effectiveness, Pipeline will notify the Customer of such noncompliance as soon thereafter as practicable, and the Customer will have one hour, or such lesser time as is appropriate under the circumstances, to comply with the OFO. Customer may use an agent, which may be Pipeline, to ensure compliance with any OFO. If Customer and/or Customer's supplier, agent, operator or transporter fail to comply with the terms of an OFO, such Customer shall be liable for any damages including, but not limited to, direct, consequential, exemplary or punitive damages incurred by Pipeline or any other party as a result of such failure.

16.7 Reimbursement

If Pipeline is required to divert gas pursuant to an OFO which would otherwise have been delivered to a Customer, Pipeline shall pay the recipient of the OFO for such quantity of gas at a price per dekatherm equal to the spot market index price for Appalachian production delivered to Columbia Gas Transmission Corporation in Kentucky as published in Inside FERC's Gas Market Report for the month in which such diversion occurred.

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Second Revised Sheet No. 137 Second Revised Sheet No. 137 : Superseded
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GENERAL TERMS AND CONDITIONS (Continued)

In addition, no imbalance, scheduling, or other penalty will be assessed against a Customer whose imbalance is attributable to its own actions or the actions of Pipeline taken in compliance with an OFO pursuant to this section. Pipeline shall not otherwise be liable for any charge, loss or damage to the Customer as the result of the imposition of an OFO.

16.8 Cost Recovery for Operational Flow Orders

Pipeline shall file for Commission approval to recover all costs it incurs in connection with the issuance, operation and termination of any OFO, including such reimbursement costs specified in Section 16.7, and for approval of an allocation and billing methodology for recovery of such costs from Customers.

17. NON-WAIVER OF FUTURE DEFAULTS

No waiver by Pipeline of any one or more defaults by a Customer in the performance of any provision of these General Terms and Conditions or any provisions of the Service Agreement between Customer and Pipeline shall operate or be construed as a waiver of any future default or defaults, whether of a like or of a different character, for the same or any other Customer.

18. MODIFICATION

No modification of the terms and provisions of any Service Agreement shall be or become effective except by the execution of a written contract.

19. NOTICES

Any notice, request, demand, statement or invoice provided for in these General Terms and Conditions, and the rate schedule to which they apply or any notice which either Pipeline or Customer may desire to give to the other, shall be in writing and shall be considered as duly delivered when mailed by registered mail to the post office address of Pipeline or Customer or at such other address as either shall designate by formal written notice. Routine communications, including monthly statements and payments, shall be considered as duly delivered when mailed by either registered or ordinary mail. Notices that are submitted or received via the electronic communications system or via EDI must be confirmed in writing or by facsimile as soon thereafter as possible.

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GENERAL TERMS AND CONDITIONS (Continued)

20. ASSIGNMENT

Any company which shall succeed by purchase, merger or consolidation to the properties, substantially or in their entirety, of Pipeline or of Customer, as the case may be, shall be entitled to the rights and shall be subject to the obligations of its predecessors in title under a Service Agreement. Any party may, without relieving itself of its obligations under such Service Agreement, assign any of its rights thereunder to a company with which it is affiliated, but otherwise no assignment of such Service Agreement, or of any of the rights or obligations thereunder shall be made unless there first shall have been obtained the consent thereto of Pipeline, in the event of any assignment by Customer, or the consent thereto of Customer, in the event of any assignment by Pipeline. These restrictions on assignment shall not in any way prevent any party from pledging or mortgaging its rights under a Service Agreement as security of its indebtedness.

21. TERMINATION FOR DEFAULT

If either Seller or Buyer shall fail to perform any of the covenants or obligations imposed upon it or them under and by virtue of a Service Agreement hereunder, then in such event the other party may at its option terminate such Agreement by proceeding as follows: The party not in default shall cause a written notice to be served on the party in default stating specifically the cause for terminating the Agreement and declaring it to be the intention of the party giving the notice to terminate the same; thereupon the party in default shall have thirty (30) days after the service of the aforesaid notice in which to remedy or remove the cause or causes stated in the notice for terminating the Agreement, and if within said period of thirty (30) days the party in default does so remove and remedy said cause or causes and fully indemnify the party not in default for any and all consequences of such breach, by a good and sufficient indemnity bond or otherwise, then such notice shall be withdrawn and the Agreement shall continue in full force and effect. In case the party in default does not so remedy and remove the cause or causes or does not so indemnify the party giving the notice for any and all consequences of such breach, within said period of thirty (30) days, then, after any necessary authorization by regulatory bodies having jurisdiction, the Agreement shall become null and void from and after the expiration of said period, provided that notice of termination has not been withdrawn prior thereto. Any cancellation of such Agreement pursuant to the provisions of this Section shall be without prejudice to the right of Pipeline to collect any amounts then due to it for natural gas delivered prior to the time of cancellation, and without waiver of any remedy to which the party not in default may be entitled for violations of such Agreement.

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GENERAL TERMS AND CONDITIONS (Continued)

22. GOVERNMENTAL REGULATION

These General Terms and Conditions, the Rate Schedules to which they apply, and the respective obligations of the parties to any executed Service Agreement for service thereunder are subject to all present and future valid laws, orders, rules and regulations of duly constituted authorities having jurisdiction.

23. DESCRIPTIVE HEADINGS

The descriptive heading of the provisions of this Gas Tariff are formulated and used for convenience only and shall not be deemed to affect the meaning of construction of any of such provisions.

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GENERAL TERMS AND CONDITIONS (Continued)

24. PREGRANTED ABANDONMENT

24.1 Short Term and Interruptible Agreements

A Customer receiving service under a firm service agreement having a primary term of less than one year ("short term firm service agreement") or under an interruptible service agreement retains no right to continued service after the termination of such agreement. Upon termination of a short term or interruptible service agreement, Pipeline shall have all necessary abandonment authorization under the Natural Gas Act as of such termination date, and shall not be required to seek case-specific authorization prior to abandoning service.

24.2 Long Term Agreements -- Right of First Refusal

Service agreements which have a primary term of one year or more and which contain a rollover or evergreen provision are not subject to pregranted abandonment under this Section 24. A Customer receiving service under a firm service agreement having a primary term of one year or more ("long term firm service agreement") which does not contain a rollover provision may avoid pregranted abandonment of service in connection with the termination of its service agreement and continue to receive service by matching the rate and contract term bid by a competing Customer in accordance with the procedures described below. If the Customer does not satisfy the bid matching requirements of this section, Customer shall no longer have a right to continued service as of the effective date of Pipeline's notice of termination. If no other bids are received and the Customer does not agree to pay the maximum rate, and Pipeline and the Customer do not otherwise agree on the continuation of service, then the Customer shall no longer have a right to continued service as of the effective date of Pipeline's notice of termination. In the event of termination, Pipeline shall have all necessary abandonment authorization under the Natural Gas Act. However, a Customer agreeing to pay the maximum rate is entitled to continued service for whatever term it chooses.

24.3 Notice and Posting

At least sixty (60) business days prior to the expiration of a long term firm service agreement, Pipeline will serve on the affected Customer a notice of termination advising the Customer of the pending termination of its agreement and of the Customer's right to retain its service entitlement by matching the rate and contract term bid by a competing Customer. At the same time, Pipeline will post the available capacity on its electronic communications system and EDI, including the quantity available, receipt and delivery points and maximum applicable rate. The notice will remain posted for thirty (30) days until the end of the bidding period.

24.4 Bidding

Potential Customers interested in acquiring the service must submit offers to contract for all or part of the available capacity by 5:00 p.m. thirty (30) business days after the capacity is posted to Pipeline's electronic communications system and EDI. To be valid, a bid must provide all information and data required by Section 11.2 and 11.3 of Pipeline's General Terms and Conditions. In addition, the potential Customer must provide a refundable prepayment equal to one month's demand charge based on the quantity desired and the requested price. All bids, including the relevant terms and conditions, will be posted on the electronic communications system and EDI for review by any party, and the existing Customer will be notified by the Pipeline of the relevant terms of all competing bids.

24.5 Best Bid

At the close of the bidding period, Pipeline will evaluate all bids received for completeness, rate acceptability and creditworthiness, and will choose the offer it will accept if the existing Customer chooses not to match the offer ("the best bid"). For purposes of this section, the best bid shall be the bid which offers the maximum applicable rate for the full term of the bid which shall not exceed five (5) years. If no Bidder offers the maximum rate for the full term of the bid, Pipeline may select the best bid based on the maximum revenue over the minimum term of the bid. However, Pipeline shall not be required to accept any offer at less than the maximum rate.

24.6 Matching Offer by Existing Customer

Pipeline will notify the existing Customer of the relevant terms of the best bid. The Customer will then have twenty (20) business days to notify Pipeline that it elects to continue service under the rates and terms applicable to the best bid, and agrees to execute a new service agreement reflecting those rates and terms. If the existing Customer agrees to match the best bid, Pipeline will refund the prepayments made by all other Bidders. Failure to notify within the 20 day period constitutes a non-revocable waiver of Customers' right to match the best bid, and will result in the abandonment of service to that Customer. If the existing Customer chooses not to match the best bid, Pipeline will offer the service to the selected Bidder. If, for whatever reason, service is not actually provided pursuant to the bids, Pipeline will report the available capacity on its electronic, communications system and EDI and the bidding process will repeat.

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GENERAL TERMS AND CONDITIONS (Continued)

24.7 No Acceptable Offers

If Pipeline receives no acceptable bids for the available capacity, or if Pipeline receives acceptable bids for only a portion of the capacity, Pipeline and the current Customer may negotiate the terms of a new service agreement for the remainder of the available capacity.

25. CAPACITY RELEASE

25.1 Purpose

This Section sets forth the specific terms and conditions which shall apply on a uniform, non-discriminatory basis to the right of firm Part 284 Customers paying reservation charges to release capacity entitlements on Pipeline's system.

25.2 Applicability

This Section is applicable to any Customer that has executed a service agreement for firm service and is paying a reservation charge under Pipeline's open-access rate schedules. Any such Customer shall have the right to release any portion of the firm capacity entitlements it holds provided that the capacity released is acquired by a Replacement Customer pursuant to the terms of this section.

25.3 General Provisions

Any firm Customer is eligible to release its Part 284 capacity for use by a Replacement Customer subject to the provisions of this Section.

- (i) A Releasing Customer may release any portion of its capacity up to its Maximum Daily Quantity, and may release capacity for a minimum term of one day up to the remaining term of its firm service agreement.
- (ii) Pipeline will allow re-releases on the same terms and basis as the primary release (except as prohibited by regulations). Any Replacement Customer which has previously contracted for released capacity may also release the capacity to another party as long as the remaining term for the released capacity is for more than one month. While there is no restriction on the number of times capacity can be released, the original terms and conditions of release imposed by the Releasing Customer, including any right to recall the capacity, will continue

GENERAL TERMS AND CONDITIONS (Continued)

to apply to all subsequent releases.

- (iii) Any party interested in acquiring capacity through Pipeline's capacity release program must submit all credit information required in Section 11.3 of these General Terms and Conditions and be prequalified before it can submit bids under the capacity release program.
- (iv) Pipeline will enter into a service agreement with the Replacement Customer prior to the commencement of service which confirms the terms and conditions applicable to the released capacity. A Replacement Customer acquires all rights and obligations of the Releasing Customer. If the Replacement Customer changes primary receipt and delivery points, the Releasing Customer is at risk as to whether it will be able to regain its original primary points when the capacity is returned. However, the Releasing Customer may condition its release to prohibit the Replacement Customer from changing the primary receipt and delivery points specified in the service agreement.
- (v) Irrespective of the release of its capacity, the Releasing Customer remains bound and liable for performance under its service agreement unless excused in writing by Pipeline. The excuse of performance under a service agreement of a Releasing Customer shall be at Pipeline's sole discretion, and may be conditioned on the payment of an exit fee and recovery by Pipeline of any amounts due. In making a determination on excuse of performance, Pipeline will exercise its discretion in a non-discriminatory manner. In the case of a permanent release of capacity, the Releasing Customer will be relieved of liability under its service agreement if the Replacement Customer has agreed to enter into a contract for the remaining term of the Releasing Customer's service agreement and has agreed to pay the maximum rate.
- (vi) A Releasing Customer may release capacity on a firm or interruptible basis, but not both simultaneously. If a Releasing Customer has previously released its capacity on an interruptible basis, it may elect to release the same capacity on a firm basis during the interruptible release term. A firm release will terminate the interruptible release arrangement.

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GENERAL TERMS AND CONDITIONS (Continued)

- (vii) Any specific release conditions requested by a Releasing Customer must be operationally feasible and be nondiscriminatory to other shippers. Bids on capacity for periods in excess of one month may be contingent on acquisition of downstream capacity.
- (viii) Except as provided in Section 25.7, a bid may be withdrawn after it is on received by Pipeline on Pipeline's electronic communications system or via EDI at any time up to the last day of the bidding cycle. Once a bid from an approved Bidder is accepted by Releasing Customer, it shall be considered a binding agreement. Pipeline will post all completed release transactions on its electronic communications system or via EDI.
- (ix) Bids for released capacity may not exceed the maximum tariff rate for the applicable service set forth in Pipeline's FERC Gas Tariff, as may be changed from time to time.
- (x) Capacity Release timeline set forth in Section 25.6 shall be applicable to all parties involved in the Capacity Release process; provided, however, the timeline shall only be applicable if: 1) all information provided by the parties to the transaction is valid, 2) the acquiring Customer has been determined to be creditworthy before the capacity release bid is tendered, and 3) there are no special terms or conditions of the release.

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GENERAL TERMS AND CONDITIONS (Continued)

25.4 Notice by Releasing Customer

A Releasing Customer that wishes to place capacity up for bid through Pipeline's capacity release program shall submit a notice to Pipeline's electronic communications system or EDI that it elects to release firm capacity. The notice shall set forth the following information:

- (i) Releasing Customer's name and the name and title of the individual authorizing the release of capacity;
- (ii) Service Agreement number;
- (iii) The maximum and minimum numeric quantity of firm capacity which the Releasing Customer desires to release on a per day basis for transportation;
- (iv) The primary points of receipt and delivery at which the Customer will release the capacity and the capacity to be released at each point;
- (v) The requested effective date and the term of the release;
- (vi) Whether the release is on a recallable or non-recallable basis, and if recallable, the conditions of recall and whether the capacity must be returned to Replacement Customer after a recall has ended. Reput method and rights shall be specified at the time of the deal. Reput method and rights are individually negotiated between the Releasing Customer and Replacement Customer;
- (vii) The reservation rate for the release, expressed in dollars and cents or as a percent of the maximum tariff rate, or, if the Releasing Customer elects to release capacity on a volumetric basis, the volumetric rate expressed in dollars and cents or as a percent of the maximum tariff rate. Once the choice is made, by the Releasing Customer the bids should comport with the choice. The rates specified by the Releasing Customer should include the tariff reservation rate and all the demand surcharges, as a total number or as stated separately. The Releasing Customer must state any rate equal to the number of decimal places in the stated rates per Pipeline's Rate Schedule;

First Revised Sheet No. 146 First Revised Sheet No. 146 : Superseded
Superseding: Original Sheet No. 146

GENERAL TERMS AND CONDITIONS (Continued)

- (viii) Whether the Releasing Customer is willing to consider release for a shorter time period, and the time period that will be considered;
- (ix) Whether the Releasing Customer is willing to consider releasing capacity at a rate lower than the maximum rate for the applicable service;
- (x) Whether the Releasing Customer wants Pipeline to market its released capacity;
- (xi) The criteria which Pipeline should apply in determining the "best bid" and any tie-breaker to be applied in the event of equal bids. Said criteria must be objectively stated and non-discriminatory; and
- (xii) The length of the bidding period desired. The Releasing Customer will not be able to specify an extension of the original bidding period or the prearranged deal match period without posting a new release.

A Releasing Customer may withdraw its Notice of Released Capacity any time prior to the close of the Bidding Period associated with such notice, where unanticipated circumstances have occurred and provided that no minimum bid pursuant to Section 25.3(x) has been received. The Releasing Customer's notice will be legally binding on the Releasing Customer until written or electronic notice of withdrawal is received by Pipeline.

25.5 Notice of Prearranged Release

If the Releasing Customer has a Prearranged Replacement Customer for the released capacity, it must include in the notice required in Section 25.4 the existence of a Prearranged Replacement Customer, the terms of the prearranged deal and whether the Prearranged Replacement Customer is an affiliate of the Releasing Customer. If the prearranged release is for a term of thirty-one (31) days or less, the information required under Section 25.4 (viii)-(xii) may be omitted.

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GENERAL TERMS AND CONDITIONS (Continued)

25.6 Posting

- a. Posting of Releases Subject to Bidding. The Pipeline will post a complete notice of released capacity on its electronic communications system and where applicable EDI upon receipt, unless otherwise specified by the Releasing Customer. If the Releasing Customer requests a posting time, Pipeline will support such a request insofar as it comports with the standard timeline set forth in Sections 25.6(a)(i), 25.6(a)(ii) and 25.8(b). The following posting conditions will apply:
- (i) Notice of capacity available for release for less than five (5) months will be posted no later than 1:00 p.m. CCT on the day before nominations are due for the effective begin date of the release of capacity;
 - (ii) Notice of capacity available for release for five (5) months or more will be posted no later than 1:00 p.m. CCT four (4) business days before nominations are due for the effective begin date of the release of capacity;

The Releasing Customer's notice shall remain posted no later than 2:00 p.m. CCT on the day before nominations are due for the effective begin date of the release of capacity.

- b. Posting of Releases Not Subject to Bidding. A Releasing Customer may enter into a prearranged deal with a Replacement Customer of its choosing for the release of its capacity. A Releasing Customer that has entered into a prearranged deal must provide notice to the Pipeline in accordance with Section 22.4 and 22.5. The notice will be posted by the Pipeline and confirmed by the Replacement Customer by 9:00 a.m. CCT on the day nominations are due via electronic communications system and where applicable EDI. A prearranged deal for Capacity Release will be exempt from competitive bidding if the proposed release meets the following conditions:
- (i) Short Term Release -- competitive bidding is not required if the term of the proposed prearranged

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First Revised Sheet No. 147 First Revised Sheet No. 147 : Superseded
Superseding: Original Sheet No. 147

GENERAL TERMS AND CONDITIONS (Continued)

release is thirty-one (31) days or less, provided, however, that if such Releasing Customer has previously released capacity to the Replacement Customer under a prearranged deal within twenty-eight (28) days prior to the commencement date of the proposed prearranged release, then the proposed prearranged release will be subject to the competitive bidding requirements of this section.

- (ii) Maximum Rate Release -- competitive bidding is not required for a prearranged release if the Replacement Customer agrees to pay the Pipeline's maximum tariff rate applicable to the service type being released for the entire term of the release.

All prearranged deals longer than thirty-one (31) days for Capacity Release at less than maximum rate are subject to the bidding procedures of Section 25.7 and the right of first refusal set forth in Section 25.9.

25.7 Bidding Process.

- a. The length of the bidding period for released capacity shall be as specified in the notice provided to the Pipeline by the Releasing Customer. All bids must be submitted during the bidding period through the electronic communications system or via EDI. Bids which are incomplete or are submitted in some different form or after the bidding period will not be eligible to receive the released capacity. Each bid for released capacity must contain the following information:
 - (i) Bidder's legal name, address, and the name and title of the individual responsible for authorizing the bid;
 - (ii) The term of the proposed acquisition;
 - (iii) The maximum rate(s) Bidder is willing to pay for the capacity;
 - (iv) The quantity desired;
 - (v) Whether or not the Bidder is an affiliate of the Releasing Customer or of Pipeline; and
 - (vi) Any other information requested by the Releasing

GENERAL TERMS AND CONDITIONS (Continued)

Customer in its notice of release.

- b. A bid may be withdrawn after it is received by the Pipeline in writing or on the Pipeline's electronic communication system at any time up to the last day of the bidding period, however no bid can be withdrawn after the bidding period. Any bid received by the Pipeline during the bidding period shall be legally binding on the Bidder unless withdrawn by the Bidder. Once a Bidder withdraws a bid, it cannot submit a subsequent bid for the same released capacity unless the subsequent bid is for an equal or higher rate than the original bid. To be considered, a bid must satisfy the minimum terms imposed by the Releasing Customer.

25.8 Awarding of Released Capacity

- a. Released capacity shall be made available on a nondiscriminatory basis in accordance with the procedures described herein. Pipeline will evaluate all bids received between 2:00 p.m. CCT and 3:00 p.m. CCT on the day the bidding period ends, and select the bid which will receive the released capacity. Initially, Pipeline will eliminate from consideration those bids which do not meet the minimum conditions established by the Releasing Customer and those bids which have not complied with Pipeline's own creditworthiness criteria. If the Releasing Customer has provided criteria for determining the "best bid", Pipeline will apply those criteria to determine which bid receives the capacity. The Pipeline is only required to meet the capacity release timeline for processing capacity reallocation if the Releasing Customer's "best bid" is defined as that bid which generates (1) the highest value, (2) the maximum net revenue, or (3) the highest present value. If multiple bids have been submitted meeting minimum conditions, Pipeline shall award the bids, best bid first, until all offered capacity is awarded. If no evaluation criteria have been provided by the Releasing Customer, Pipeline will award the released capacity based on the application of the following criteria:
 - (i) If there is only one valid bid, Pipeline will award the released capacity to that Bidder;
 - (ii) If more than one valid bid is received, Pipeline

GENERAL TERMS AND CONDITIONS (Continued)

will award the released capacity to the Bidder offering the maximum applicable rate for the maximum term specified by the Releasing Customer;

- (iii) If more than one valid bid is received and none offers the maximum applicable rate for the maximum term, Pipeline will award the capacity to the bid offering the maximum revenue over the minimum term of the release;
- (iv) If two or more equal bids are received, Pipeline will award the capacity on the basis of the tie-breaker criteria provided by the releasing customer. If no tie-breaker criteria are provided by the Releasing Customer, then capacity will be awarded on the basis of a lottery. The lottery will be conducted by the Pipeline in a nondiscriminatory manner and capacity shall be awarded on the basis of an all or nothing draw.

b. Posting of Awarded Capacity. The released capacity will be awarded and posted on the electronic communication system and EDI by 5:00 p.m. CCT on the day the bidding period ends. The notice of the award will contain the following information:

- (i) Term of release;
- (ii) Price(s) as bid;
- (iii) Primary receipt and delivery points;
- (iv) Quantity in dth;
- (v) Whether the capacity is firm or firm recallable; and
- (vi) The name of the Replacement Customer and whether the Replacement Customer is affiliated with the Releasing Customer.

25.9 Right of First Refusal

In the case of a prearranged bid, if the bid submitted by a subsequent Bidder exceeds the value of the bid submitted by the Prearranged Replacement Customer, the Prearranged

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FERC Docket: RP97-104-001

Original Sheet No. 148B Original Sheet No. 148B : Superseded

GENERAL TERMS AND CONDITIONS (Continued)

Replacement Customer will be given the opportunity to match the terms of the subsequent bid. Pipeline will notify the Prearranged Replacement Customer by 3:00 p.m. CCT on the day the bidding period ends. The Prearranged Replacement Customer will then have until 4:00 p.m. CCT on the day the bidding ends to match the bid. The capacity will be awarded and posted by 5:00 p.m. CCT on the day the bidding period ends.

25.10 Recall of Released Capacity

Releasing Customer retaining the right to recall must notify the Pipeline and the Replacement Customer by 8:00 a.m. CCT on the day the nomination is due. There shall be no partial day recalls of capacity. The Pipeline will support the function of reputting by the Releasing Customer.

25.11 Capacity Not Released

The Releasing Customer shall retain all of the capacity that is not acquired by a Replacement Customer as the result of the bidding process or a prearranged deal.

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First Revised Sheet No. 149 First Revised Sheet No. 149 : Superseded
Superseding: Original Sheet No. 149

GENERAL TERMS AND CONDITIONS (Continued)

25.12 Offers to Purchase Capacity

Any party interested in acquiring capacity through Pipeline's capacity release program may provide Pipeline with an offer to purchase capacity. Pipeline will post any such offer on its electronic communications system for the period requested by the offering party. Pipeline may recover a fee for such services as prescribed in Section 30.4 of this Tariff.

25.13 Execution of Agreements

Pipeline's acceptance of a bid shall constitute a binding agreement between Pipeline and the Releasing Customer under which the Releasing Customer releases the capacity described in the accepted bid and a binding agreement between Pipeline and the Replacement Customer under which the Replacement Customer acquires those rights of the Releasing Customer that are described in the accepted bid. Pipeline will provide the Replacement Customer with a service agreement for the capacity awarded by 10:00 a.m. CCT on the day nominations are due. The Replacement Customer will be required to execute and return to Pipeline a service agreement reflecting the terms of the released capacity. The executed service agreement must be returned to Pipeline within one (1) day after it is received or the agreement will terminate. Once the service agreement has been executed the terms of such agreement are not subject to amendment. At the election of Pipeline, the Releasing Customer shall promptly execute such further documents as may be necessary to evidence its release of capacity. Pipeline shall not be obligated to initiate service to the Replacement Customer until all documents necessary to effectuate the release are executed and returned to Pipeline.

25.14 Obligations of Releasing Customer

The Releasing Customer shall continue to be responsible and liable for its obligations under the service agreement, unless said obligations are expressly waived by Pipeline. Without limitation, these obligations include the following:

- (i) The Releasing Customer shall continue to be liable for all demand or reservation and other non-usage related charges owing under its service agreement up to the maximum rate specified in the service agreement, including, but not limited to any demand or reservation surcharge assessed by Pipeline for the purpose of recovering Order No. 636 transition costs in accordance with Section 31 of this tariff.
- (ii) Except as provided in Section 25.3(v) pertaining to a permanent release, Pipeline shall have the right to seek performance directly from the Releasing Customer with respect to the obligations owed by it to Pipeline after Pipeline's attempt to seek performance from the Replacement Customer under any new service agreement.
- (iii) Each Releasing Customer agrees to protect and indemnify Pipeline against, and to release and hold harmless against, any loss, liability or expense (including, without limitation, court costs and attorneys' fees) incurred or suffered by Pipeline or such Releasing Customer arising out of or in connection with the provisions of this Section 25 except for losses, damages or expenses caused solely by Pipeline's own negligence or willful misconduct.
- (iv) Pipeline shall credit the invoice of the Releasing Customer (or secondary Releasing Customer, if applicable) an amount each month equal to the reservation charges or other such costs attributable to the capacity rights released by the Releasing Customer; provided however, Pipeline shall have the right to reverse such credit in the next monthly invoice if the Replacement Customer that acquires Releasing Customer's capacity fails to pay such amounts invoiced to it on a timely basis in accordance with Pipeline's payment provision set forth in Section 7.

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FERC Docket: RP97-104-001

First Revised Sheet No. 151 First Revised Sheet No. 151 : Superseded

Superseding: Original Sheet No. 151

GENERAL TERMS AND CONDITIONS (Continued)

25.15 Obligations of Replacement Customer

By executing a service agreement for released capacity, the Replacement Customer agrees that it will comply with the terms and conditions of Pipeline's certificate of public convenience and necessity authorizing this capacity release program and the terms and conditions of Pipeline's FERC Gas Tariff.

- (i) The Replacement Customer agrees to indemnify Pipeline against and to release and hold Pipeline harmless against any loss, liability or expense (including, without limitation, court costs and attorneys fees) incurred or suffered by Pipeline or the Replacement Customer arising out of or in connection with the provisions of this section, except for losses, damages or expenses caused solely by Pipeline's own negligence or willful misconduct.
- (ii) The Replacement Customer shall be liable for the portion of the demand or reservation charges specified in its service agreement, along with all commodity related charges applicable to its service utilization, and all applicable penalties. Pipeline will invoice the Replacement Customer on a monthly basis and the Replacement Customer shall make payment in accordance with Sections 6 and 7 of these General Terms and Conditions.

25.16 Marketing Fee

Pipeline will charge a marketing fee to be negotiated between Pipeline and the Releasing Customer where Pipeline successfully markets the released capacity on the Releasing Customer's behalf.

26. MARKET CENTERS

Nothing in Pipeline's FERC Gas Tariff shall operate to inhibit the development of market centers on Pipeline's system. Pipeline will permit market centers to develop at the points of interconnection between other pipelines or other LDC systems. Any aggregator of gas supply contracts on Pipeline's system must adhere to the nominations procedures and other terms and conditions of Pipeline's FERC Gas Tariff, and pay the fees and charges associated with their service as may be revised from time to time.

Effective Date: 07/01/1993 Status: Effective

FERC Docket: RS92- 18-004

Original Sheet Nos. 152-159 Original Sheet Nos. 152-159 : Superseded

SHEET NOS. 152 THROUGH 159
HAVE BEEN "RESERVED FOR FUTURE USE".

Effective Date: 08/01/1996 Status: Effective

FERC Docket: RP96-288-000

First Revised Sheet No. 160 First Revised Sheet No. 160 : Superseded

Superseding: Original Sheet No. 160

GENERAL TERMS AND CONDITIONS (Continued)

27. CONSTRUCTION OF LATERALS

Pipeline will not build or contribute to the construction cost of building any laterals for transportation service. The term "lateral" as used herein is intended to cover any pipeline extension other than a mainline extension built from an existing pipeline facility to deliver gas to one or more customers, including new delivery points and enlargements or replacements of existing laterals. Pipeline reserves the right to seek a waiver of the policy set forth herein for good cause shown.

Effective Date: 08/01/1996 Status: Effective

FERC Docket: RP96-288-000

First Revised Sheet No. 161 First Revised Sheet No. 161 : Superseded
Superseding: Original Sheet No. 161

Sheet No. 161 has been
"Reserved for Future Use"

Effective Date: 08/01/1996 Status: Effective

FERC Docket: RP96-288-000

First Revised Sheet No. 161A First Revised Sheet No. 161A : Superseded
Superseding: Original Sheet No. 161A

Sheet No. 161A has been
"Reserved for Future Use"

Effective Date: 01/01/1999 Status: Effective

FERC Docket: TM99-1-46-000

Third Revised Sheet No. 162 Third Revised Sheet No. 162 : Superseded

Superseding: Second Revised Sheet No. 162

GENERAL TERMS AND CONDITIONS (Continued)

28. GAS RESEARCH INSTITUTE FUNDING CHARGE FOR RESEARCH, DEVELOPMENT AND DEMONSTRATION ACTIVITIES

28.1 Purpose

The Pipeline has joined with other gas enterprises in the formation of, and participation in the activities and financing of Gas Research Institute (GRI), an Illinois not for profit corporation. GRI has been organized for the purpose of sponsoring Research, Development and Demonstration (RD&D) programs in the field of natural and manufactured gas for the purpose of assisting all segments of the gas industry in providing adequate, reliable, safe, economic and environmentally acceptable gas service for the benefit of gas consumers.

For the purpose of funding for GRI's approved expenditures, this Section establishes as part of the Pipeline's rate a charge for RD&D by GRI, said charge to be recovered by a funding charge adjustment provision applicable to Pipeline's Rate Schedules ITS, VTS and FTS, provided, however, that such funding charge for RD&D by GRI shall not be applicable to Customers which are interstate pipelines and which include in their rates a charge for RD&D by GRI. Customers with both gathering and transportation services will be billed the GRI charge on only one service.

28.2 Basis for the GRI Charge

The Rate Schedules ITS, VTS and FTS specified in Section 28.1 hereof shall include a GRI Funding Charge Adjustment Provision for such RD&D activities by GRI. The unit rate of such charge shall be the amount, adjusted to Company's pressure base and heating value, if required, which has been approved by Federal Energy Regulatory Commission orders approving GRI's RD&D expenditures. The current effective GRI charge for all applicable nondiscounted commodity units and nondiscounted one-part rates for transportation service under Rate Schedules FTS, ITS and VTS is set forth on Sheet Nos. 4 and 5. Additionally, a GRI demand or reservation surcharge will be assessed on all firm delivery entitlements for Customers with load factors exceeding 50% and for Customers with load factors of 50% or less as set forth on Sheet Nos. 4 and 5.

A Customer's load factor will be determined on an annual basis using the most current 12 months data available at the time Kentucky West prepares its annual tariff to implement the following year's GRI surcharges. A Customer's load factor will be calculated based on actual firm throughput, including throughput resulting

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Substitute First Revised Sheet No. 162A Substitute First Revised Sheet No. 162A : Superseded
Superseding: Original Sheet No. 162A

GENERAL TERMS AND CONDITIONS (CONTINUED)

from released capacity, as a percent of the Customer's total firm contract entitlements. Load factor determinations will remain in effect for the ensuing calendar year. Kentucky West will determine new customer's load factors and assess the surcharge for each month based on actual throughput for each prior month of service until a 12-month history is established.

28.3 Filing Procedure

The Gas Research Institute Funding Charge Adjustment Provision may be placed into effect upon not less than 30 days notice unless, for good cause shown, a lesser notice period is allowed by valid FERC order. Any such filing shall not become effective unless it becomes effective without suspension or refund obligation.

- 28.4 Voluntary Contribution Mechanism. In accordance with the January 21, 1998, Stipulation and Agreement Concerning GRI Funding approved by the Commission on April 29, 1998 in Docket No. RP97-149, et al., 83 FERC Par. 61,093 (1998), the Pipeline has agreed to be a voluntary collection agent for Customers who wish to voluntarily contribute additional amounts to GRI programs by checking the appropriate box on their monthly invoices. The Pipeline will include in invoices to Customers a voluntary contribution mechanism allowing Customers to make a voluntary contribution to GRI. Customers may, but are not required to, make such voluntary contributions. The Customer will specify the amount of the contribution if any, and the project(s) or project area(s) to be funded. The amounts collected through the voluntary contribution mechanism are not part of the Pipeline's rates, rate provisions, or term or condition of service and the Commission will not review or approve any amounts submitted by the Customers. Any amounts remitted to the Pipeline pursuant to the voluntary contribution mechanism shall be forwarded to GRI by the Pipeline and are not refundable by the Pipeline.

28.5 Remittance to GRI

Pipeline shall remit to GRI, not later than thirty (30) days after the receipt thereof, all monies received from the GRI Funding Charge Adjustment and the voluntary contribution mechanism,, less any amounts properly payable to a federal, state, or local authority relating to the monies received hereunder. In addition, for the amounts received through the voluntary contribution mechanism, the Pipeline shall indicate to GRI the amounts applicable to specific projects and project areas, if so indicated by Customers.

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FERC Docket: RP99-149-000

Original Sheet No. 162B Original Sheet No. 162B : Superseded

GENERAL TERMS AND CONDITIONS (CONTINUED)

28.6 Effect of Discounting.

With regard to transportation services which are discounted by Kentucky West, the GRI surcharge will be considered as being discounted first, before other items included in the maximum rate levels are impacted. If the discount is greater than or equal to the GRI surcharge, Kentucky West will have no obligation to remit any surcharge to GRI for that transaction. The GRI surcharge may be discounted to a minimum surcharge of zero.

Effective Date: 10/01/1997 Status: Effective
FERC Docket: TM98-1-46-000

Sixth Revised Sheet No. 163 Sixth Revised Sheet No. 163 : Effective
Superseding: Fifth Revised Sheet No. 163
GENERAL TERMS AND CONDITIONS (Continued)

29. FEDERAL ENERGY REGULATORY COMMISSION ANNUAL CHARGE ADJUSTMENT
PROVISION

29.1 Purpose

Section 3401 of the Omnibus Budget Reconciliation Act of 1986 provides that the Federal Energy Regulatory Commission (FERC) establish an annual charge for each fiscal year ending September 30, in an amount equal to costs incurred to operate the Federal Energy Regulatory Commission for the fiscal year.

For the purpose of funding of Federal Energy Regulatory Commission costs incurred in any fiscal year, this Section establishes as part of Pipeline's rates an Annual Charge Adjustment (ACA) Provision to be applicable to the Pipeline's Rate Schedules ITS, VTS, and FTS. The Pipeline does not intend to recover any annual charges recorded in FERC Account No. 928 in a Natural Gas Act Section 4 rate case. Customers with both gathering and transportation services will be billed the ACA charge on only one service.

29.2 Basis of the Annual Charge Adjustment

The Rate Schedules ITS, VTS, and FTS specified in Section 29.1 hereof shall include an increment for an Annual Charge Adjustment (ACA) for Federal Energy Regulatory Commission costs. The unit rate of such charge shall be that amount, adjusted to the Pipeline's pressure base and heating value, if required, which has been specified by the Federal Energy Regulatory Commission each year. The current effective Annual Charge Adjustment is set forth on Sheet Nos. 4 and 5.

29.3 Filing Procedures

The Annual Charge Adjustment Provision may be placed into effect upon not less than 30 days notice unless, for good cause shown, a lesser notice period is allowed by valid Commission order.

Second Revised Sheet No. 164 Second Revised Sheet No. 164 : Superseded
Superseding: First Revised Sheet No. 164

GENERAL TERMS AND CONDITIONS (Continued)

30. ELECTRONIC COMMUNICATIONS SYSTEM

30.1 AVAILABILITY

The electronic communications system is available on a nondiscriminatory basis to any party which (1) has compatible equipment for the electronic transmission of data, (2) elects to pay the required subscription fee, if any, and (3) agrees to abide by the established procedures for access and use of the system. Pipeline will provide equal and timely access to any information posted on the Pipeline's electronic communications system. The electronic communications system may be accessed by the Customers using either the HTML page(s) accessible via the Internet's World Wide Web or the Pipeline's Electronic Bulletin Board System. Electronic communications may also be transmitted, where applicable, using server to server electronic data interchange communications (EDI), which will be available on a nondiscriminatory basis to any party, provided such party has entered into a trading partner agreement with the Pipeline.

30.2 System Description

The electronic communications system offers interactive services including an on-line help function, a search function that permits users to locate all information concerning a specific transaction and menus which are organized by subject matter and contain chronologically organized information. The system permits users to electronically download data from the communications system to their own equipment. Pipeline will maintain daily backup records of the information displayed on the electronic communications system and through EDI to be archived for two years, and will permit users to review these records on request or obtain the archived material in an electronic format for a fee reflecting Pipeline's cost of providing the data. Requests for archived material can be placed through the electronic communications system and via EDI. Pipeline will periodically purge transactions from system files after transactions are completed.

30.3 System Capabilities

Upon subscribing to the Pipeline's electronic communications system, a user will have the capability to utilize the system for the following purposes:

- (i) Submit requests for service under Pipeline's transportation rate schedules;
- (ii) Execute and amend service agreements and review all contracts with Replacement Customers offering the best bid;

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Second Revised Sheet No. 165 Second Revised Sheet No. 165 : Superseded
Superseding: First Revised Sheet No. 165

GENERAL TERMS AND CONDITIONS (Continued)

- (iii) Tender nominations relating to existing service entitlements;
- (iv) Review scheduled quantities at the end of each day including intra-day nominations and any other scheduling changes for each Customer;
- (v) Review the availability of capacity at mainline receipt and delivery points on Pipeline, including the availability of capacity for service under any of Pipeline's rate schedules, whether the capacity is available from Pipeline directly, through the capacity release program, or upon termination of a long-term agreement is also available via EDI;
- (vi) To allow Releasing Customers to directly post offers and Bidders to directly post bids for released capacity, or review bids submitted by other parties; all bids for released capacity or requests for Pipeline capacity will be recorded by date and time of day of receipt, but capacity will be awarded based on the earliest executed service agreement is also available via EDI;
- (vii) Submit a bid for available capacity under expiring long term contracts, or review bids submitted by other parties is also available via EDI;
- (viii) Review Pipeline's interruptible and firm transportation queues;
- (ix) Review Pipeline's FERC Gas Tariff, including current rates for all rate schedules;
- (x) Index of Customers;
- (xi) Other information on transactions with affiliates as required by the Commission's Order 467 and 566 such as an affiliate allocation log, 24 hr. discount postings, etc.;
- (xii) Review a compilation of total capacity on Pipeline, the availability of capacity on both a firm and interruptible basis, and review primary capacity entitlements at each delivery point on the Pipeline's system;
- (xiii) Make request for archived material from Pipeline in an electronic format;
- (xiv) Receive information concerning the issuance, operation and termination of any OFO as provided in Section 16; and
- (xv) Critical notices are defined to pertain to information on the Pipeline's conditions that affect scheduling or adversely affect scheduled gas flow. Critical system-wide notices will be in a separate category from notices that are not critical and information prescribed by various provisions of this Tariff. This information will also be available via EDI.

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First Revised Sheet No. 166 First Revised Sheet No. 166 : Superseded
Superseding: Original Sheet No. 166

GENERAL TERMS AND CONDITIONS (Continued)

30.4 Charges

Pipeline reserves the right to recover through a separate Section 4(e) rate filing any and all fixed costs associated with the implementation of its electronic communications system. Pipeline reserves the right to file for the implementation of a separately stated usage fee to cover the variable costs of usage from those persons using the electronic communications system.

30.5 Confidentiality

Any authorized user of the electronic communications system may make copies, in electronic or other form, of the information contained on the system. No employee or agent of Pipeline will disclose to any third party any information concerning research performed through the use of the electronic communications system.

31. RECOVERY OF TRANSITION COSTS

31.1 Purpose

This section sets forth the mechanisms for recovery by Pipeline of the various types of transition costs identified for pipeline recovery under Part 284 of the Commission's Regulations.

31.2 Costs to be Recovered

(a) Account 191 Costs

On the date that Pipeline's compliance filing tariff sheets, including this Section 31, become effective, Pipeline will terminate its PGA and the net balance remaining in Pipeline's Account 191 on such date will be recovered or refunded through a surcharge or credit applicable to Pipeline's converting Rate Schedules PLS and GSS Customers based upon each Customer's average level of purchases during the twelve-month period ending April 8, 1992.

As an option to the surcharge, any customer owing Pipeline a balance in excess of \$25,000 may elect to pay such amounts over a twenty-four month period. Interest shall accrue on the unpaid balance at the rate computed using the factors specified in Section 157.67 of the Commission's regulations until such time as the full amount due has been paid.

From the date of termination of its PGA, Pipeline will have a nine-month reconciliation period to determine the final

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First Revised Sheet No. 167 First Revised Sheet No. 167 : Superseded
Superseding: Original Sheet No. 167

GENERAL TERMS AND CONDITIONS (Continued)

balance in Account No. 191. Any underrecoveries determined after such nine-month period will not be recoverable. All refunds received, however, even if after the termination of Pipeline's PGA, will be refunded to the Customers that were subject to the surcharge or credit.

(b) Gas Supply Realignment Costs

Gas supply realignment costs are those costs incurred by Pipeline in reforming or terminating its existing gas supply contracts in connection with its transition to an unbundled transporter of natural gas under Order No. 636. Pipeline shall be entitled to file a limited Section 4 filing under the Natural Gas Act to collect 100% of its actual prudently incurred gas supply realignment costs after the effective date of this Section 31. Ninety percent (90%) of such prudently incurred costs shall be recovered through a reservation surcharge assessed against Part 284 firm service Customers, and allocated on the basis of each customer's currently effective maximum daily contract quantity entitlement subject to adjustment as such entitlements are changed during the period in which the surcharge will be in effect. Ten percent (10%) of such costs shall be recovered from Part 284 interruptible service Customers through interruptible rates as a cost of providing such service.

(c) New Facilities Costs

New facilities costs are those costs incurred by Pipeline in expanding and upgrading its facilities in order to meet the operational and service requirements of Order No. 636. Pipeline shall be entitled to file a general Section 4 filing under the Natural Gas Act to collect 100% of its new facilities costs after the effective date of this Section.

(d) Stranded Costs

Stranded costs are those costs incurred by Pipeline in connection with its former bundled sales services which cannot be included in the base rate applicable to the new unbundled services which Pipeline is required to offer under Order No. 636. Pipeline shall be entitled to file a general Section 4 filing under the Natural Gas Act to collect 100% of its stranded costs after the effective date of this Section.

GENERAL TERMS AND CONDITIONS (Continued)

32. ORDER NO. 497 COMPLIANCE PROCEDURES

32.1 General Application

All terms and conditions contained in this tariff shall be applied in a uniform and non-discriminatory manner without regard to the affiliation of any entity to Pipeline. Furthermore, no preference is afforded to any affiliate of Pipeline for transportation services which Pipeline provides.

32.2 Shared Facilities and Employees

Pipeline will share with an affiliated interstate pipeline, Equitrans, Inc., in the cost of establishing a pipeline marketing division. Employees of that marketing division will be acting as agents for Pipeline's marketing function. These agents will be organized into a separate operational unit whose access to other operational units of the Pipeline shall be restricted to the extent necessary to prohibit preferential treatment. Employees assigned to the pipeline marketing unit shall work exclusively for that unit, and no employees will be shared between the pipeline marketing unit and the other operating units of Pipeline. The pipeline marketing division will be self-supporting. No subsidy from Pipeline's regulated services will be provided to the marketing division. Other than telephone, photocopying, facsimile, and computer equipment, no facilities will be shared between the pipeline marketing unit and the other operating units of Pipeline. Computer equipment will be password protected to ensure operational separation and restricted access to confidential information.

33. PROCEDURE FOR ADDRESSING TRANSPORTATION COMPLAINTS

Any Customer or potential Customer that has requested transportation or gathering service pursuant to Section 11 of Pipeline's General Terms and Conditions and has not been granted such service or is dissatisfied with such service shall notify Pipeline's General Counsel, 3500 Park Lane, Pittsburgh, PA 15275, in writing, of any complaint it has concerning the denial, or performance, of such service. The complaint may be made orally or in writing, and Pipeline shall respond initially to the complaint within 48 hours by telephone. Within five (5) business days of receiving such complaint, Pipeline shall provide a written response to the Customer or potential Customer explaining the basis for the action complained of and detailing what additional steps, if any, will be taken by Pipeline concerning the complaint. If the response is not satisfactory to the Customer, or potential Customer, Pipeline shall, upon request, arrange for an informal meeting of representatives of the two companies to attempt to resolve any outstanding differences.

First Revised Sheet No. 169 First Revised Sheet No. 169 : Superseded
Superseding: Original Sheet No. 169

GENERAL TERMS AND CONDITIONS (Continued)

34. RECOVERY OF NATURAL GAS POLICY ACT PRICES

Former Rate Schedules PLS-1 and GSS-1 customers will still be subject to the provisions of Volume 3 of Pipeline's FERC Gas Tariff, which sets forth the various settlement agreements with the Rate Schedules PLS-1 and GSS-1 customers identified therein arising out of Public Service Commission of New York v FERC, 463 U.S.319 (1983) and Kentucky West Virginia Gas Co. v FERC, 780 F.2d 1231 (5th Cir. 1986).

35. DETERMINATION OF DELIVERIES AND IMBALANCES

35.1 Determination of Deliveries. Pipeline will attempt to determine the actual imbalance ascribable to each service agreement to the greatest extent possible. As minimum, allocations shall be provided by both contract and location. Delivery point allocations shall be performed at the lowest level of detail provided by nominations. If gas delivered by Pipeline into the facilities of any Customer is applicable to more than one service agreement and Pipeline cannot ascribe the actual imbalance to each individual service agreement, Pipeline will attribute the total quantities of gas delivered to any Customer to each service in the following sequence as applicable:

- (i) The quantity of gas scheduled for delivery by the Customer under the Customer's no-notice service agreement;
- (ii) The quantity of gas scheduled for delivery by the Customer under the Customer's other firm service agreements;
- (iii) The quantity of gas scheduled for delivery under the Customer's interruptible service agreements.

35.2 Customer's Responsibility. It is the responsibility of the Customer to provide accurate and timely nominations of quantities proposed to be received and delivered by Pipeline under each of the Customer's service agreements; to maintain equality between quantities actually taken by the Customer and the Customer's scheduled quantities under each service agreement, and to maintain a concurrent balance between receipts and deliveries under each service agreement.

35.3 Resolution of Imbalances. If a Customer incurs either an overage or an underage in takes from Pipeline due to a failure to deliver to Pipeline or receive from Pipeline the quantity of gas which it is required to receive or deliver, penalties may be applied as described in this section. If a Customer has more than one service agreement with Pipeline and it is not otherwise determinable under which service agreement the imbalance

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Superseding: Original Sheet No. 170

GENERAL TERMS AND CONDITIONS (Continued)

occurred, all imbalances will be applied to the service agreement which is last in the determination of deliveries under Section 35.1.

a. Monthly Imbalances

Operating conditions may, from time to time, cause a temporary and unintentional imbalance between the total dth of natural gas that Pipeline receives under the executed Service Agreement and the quantities of natural gas that Pipeline delivers under the executed Service Agreement. The Pipeline and the Customer shall cooperate to eliminate any such imbalances. As soon as practicable the Pipeline shall notify the Customer of such imbalance and the necessity to take corrective action within the next 48 hours. If necessary to protect the integrity of its system, Pipeline may require the Customer to take corrective action within less than 48 hours. In the event the Customer fails to take corrective action within 45 days from the end of the 48 hour notification period, the Customer shall be subject to the following monthly imbalance charge provisions:

1. Overdelivery Penalty: Pipeline will notify Customer by the ninth business day following the close of each month in which Customer delivered or caused to be delivered more than 104% of the quantity of gas than was taken from Pipeline on Customer's behalf. In the event Customer fails to take or cause to be taken within 45 days of notification a quantity of gas sufficient to balance deliveries to Pipeline with the quantities taken from Pipeline, an imbalance penalty shall be imposed. The imbalance penalty shall be the retention by the Pipeline at no cost and free and clear of any adverse claims of any remaining net balance of overdeliveries in excess of 104% existing at the end of said 45 day period.
2. Underdelivery Penalty: Pipeline will notify Customer by the ninth business day following the close of each month in which Customer took or caused to be taken from Pipeline quantities which exceed by more than four percent (4%) the quantities received by Pipeline pursuant to the provisions of Section 13 of the General Terms and Conditions of this FERC Gas Tariff. In the event Customer fails to deliver or cause to be delivered within 45 days of notification a quantity of gas sufficient to balance deliveries to Pipeline with the quantity taken from Pipeline, an imbalance penalty shall be imposed of \$10/dth multiplied by the remaining net balance of underdeliveries

Effective Date: 11/01/1997 Status: Effective
FERC Docket: RP97-104-005

Second Revised Sheet No. 171 Second Revised Sheet No. 171 : Superseded
Superseding: First Revised Sheet No. 171

GENERAL TERMS AND CONDITIONS (Continued)

in excess of four percent which exists at the end of the 45 day period.

It is Pipeline's intention to operate without having to impose imbalance penalties. Therefore, Pipeline will waive imbalance penalties so long as the Customer is making reasonable effort to balance receipts and deliveries and has attempted to work with Pipeline to alleviate the imbalances. Additionally, no imbalance penalties will be assessed against Customer delivering gas on-system (i.e., at primary delivery points in Kentucky) so long as the Customer designates a secondary delivery point and recipient of gas at the Columbia Gas Transmission interconnects who will be responsible for any excess quantities transported on Pipeline and not delivered at the primary delivery point. No imbalance penalty will be assessed when a prior period adjustment applied to the current period causes or increases a current month penalty.

b. Disposition of Penalties or Cash Out Amounts

Any net penalty revenue received under (a)(1) and (2) from affiliated companies of Pipeline will be credited on a prospective basis to firm Customers in proportion to their contract quantity. Any net cash out revenue will be credited to Customers in the form of a negative surcharge on firm and interruptible service rates.

36. EXIT FEES

36.1 Upon the effective date of this Tariff, any Customer that desires to reduce or terminate any capacity entitlement it holds on Pipeline's system may do so upon payment of an exit fee. Pipeline will permit the negotiation of an exit fee in the event no other party equals or betters the current Customer's rate or no bids are made and the current Customer wants to be released from the capacity prior to the end of its service agreement. However, if another party bids for the capacity at a rate equal to or higher than the current Customer's rate, up to the maximum rate, Pipeline will release the current Customer if it does not wish to retain the capacity.

36.2 For any exit fee payable under this Section 36, Pipeline shall issue an invoice for the amount of the negotiated exit fee. The entire amount of the invoice shall be payable ten (10) days after receipt of the invoice and interest shall accrue on all amounts not paid when such amounts become payable, at the rate computed using the factors specified in Section 157.67 of the Commission's regulations, until such time as the full amount has been paid.

Effective Date: 11/01/1997 Status: Effective
FERC Docket: RP97-104-005

Third Revised Sheet No. 172 Third Revised Sheet No. 172 : Superseded
Superseding: Second Revised Sheet No. 172

GENERAL TERMS AND CONDITIONS (Continued)

Any Customer liable for the payment of an exit fee under this Section 36 may elect to pay the exit fee amortized over a period of up to twenty four months by making monthly payments, each of which shall be equal to a corresponding fraction of the amount of the exit fee. Carrying charges shall accrue on all unpaid amounts at the rate computed using the factors specified in Section 157.67 of the Commission's regulations. Any Customer electing to amortize payments must make such election within five days of receipt of the invoice and must specify the desired amortization period. In the event of an election to amortize the exit fee, any Customer may, at any time prior to the end of the amortization period, pay the entire amount of its unpaid balance to Pipeline with no further obligation for carrying charges.

37. INTERRUPTIBLE REVENUE SHARING

The fixed cost components of the rates set forth on Rate Schedule ITS in the Currently Effective Rates, Sheet Nos. 4 and 5 are:

Transportation - \$0.2222/dth

Gathering - \$0.3759/dth

The total fixed costs allocated to such interruptible services in the design of such rates is \$7,353,880. To the extent that Pipeline receives revenues derived from the fixed cost components of such rates in excess of \$7,353,880, during the first year of operation under such schedules, and each succeeding year, ninety percent (90%) of such excess revenues shall be distributed to Pipeline's firm Customers in direct proportion to payments received from such firm Customers through reservation charges under Rate Schedule FTS for said first year of operation and each succeeding year. The remaining 10% of such excess shall be retained by Pipeline together with all other interruptible revenues.

The distribution of the 90% of the excess revenue shall be made on or before 90 days after the end of the year involved.

Effective Date: 08/01/1998 Status: Effective

FERC Docket: RP98-273-000

Fourth Revised Sheet No. 173 Fourth Revised Sheet No. 173 : Superseded
Superseding: Third Revised Sheet No. 173

GENERAL TERMS AND CONDITIONS (Continued)

38. DISCOUNTING

Pipeline may elect at its discretion to discount the maximum rate(s) applicable to transportation service for any Customer subject to the limitation that such discounted rate(s) shall not be less than the minimum rate(s) for the applicable service as set forth in Pipeline's FERC Gas Tariff as may be changed from time to time. Any rate discount provided to any Customer shall be applied to the components of the rate in the following order: (1) GRI surcharge; and (2) base tariff rate(s) for the applicable service including retainage. If the discounted rate(s) charged to a Customer exceed the rate(s) approved by the Commission, any required refunds shall be based on the amount by which the rate actually collected exceeds the rate approved by the Commission.

Effective Date: 08/01/1999 Status: Effective
FERC Docket: RP99-361-000

Second Revised Sheet No. 174 Second Revised Sheet No. 174 : Superseded
Superseding: Substitute First Revised Sheet No. 174
GENERAL TERMS AND CONDITIONS (Continued)

39. GAS INDUSTRY STANDARDS BOARD ("GISB")

Pipeline shall comply with the business practices and electronic communication standards incorporated by reference in Section 284.10(b) of the Commission's Regulations (18 CFR Section 284.10), as amended from time to time. In addition to the standards which are reflected in other provisions of this Tariff, the following GISB standards, definitions and data sets are hereby incorporated by reference:

Version 1.2 - 1.2.1, 1.2.2, 1.2.3, 1.2.5, 1.3.15, 1.3.17, 1.3.18, 1.3.23, 1.3.25, 1.3.27, 1.3.28, 1.3.30, 1.3.31, 1.3.34, 2.2.1, 2.3.1, 2.3.3, 2.3.5, 2.3.8, 2.3.12, 2.3.13, 2.3.15, 2.3.19, 2.3.20, 2.3.21, 2.3.22, 2.3.25, 2.3.27, 3.3.1, 3.3.2, 3.3.3, 3.3.4, 3.3.5, 3.3.6, 3.3.7, 3.3.8, 3.3.9, 3.3.10, 3.3.11, 3.3.12, 3.3.16, 3.3.20, 3.3.21, 4.3.1, 4.3.2, 4.3.3, 4.3.5, 4.3.7, 4.3.8, 4.3.9, 4.3.10, 4.3.11, 4.3.12, 4.3.13, 4.3.14, 4.3.15, 4.3.16, 5.3.5, 5.3.9, 5.3.10, 5.3.22, 5.3.23, 5.3.30, 5.4.10, 5.4.11, 5.4.12, 5.4.13, 5.4.14, 5.4.15, 7.3.1, 7.3.2, 7.3.3, 7.3.4, 7.3.5, 7.3.6, 7.3.7, 7.3.8, 7.3.9, 7.3.10, 7.3.11, 7.3.12, 7.3.13, 7.3.14, 7.3.15, 7.3.16, 7.3.17, 7.3.18.

Version 1.3 - 1.2.8, 1.2.9, 1.2.10, 1.2.11, 1.2.12, 1.3.2(v)&(vi), 1.3.3, 1.3.14, 1.3.20, 1.3.22, 1.3.24, 1.3.27, 1.3.35, 1.3.36, 1.3.37, 1.3.38, 1.3.39, 1.3.40, 1.3.41, 1.3.42, 1.3.43, 1.3.44, 1.3.45, 1.3.46, 1.4.1, 1.4.2, 1.4.3, 1.4.4, 1.4.5, 1.4.6, 1.4.7, 2.3.9, 2.3.20, 2.4.1, 2.4.2, 2.4.3, 2.4.4, 2.4.5, 2.4.6, 3.3.22, 3.4.1, 3.4.2, 3.4.3, 3.4.4, 4.1.16, 4.1.17, 4.1.18, 4.1.19, 4.1.20, 4.1.21, 4.2.1, 4.2.2, 4.2.3, 4.2.4, 4.2.5, 4.2.6, 4.2.7, 4.2.8, 4.3.16, 4.3.17, 4.3.18, 4.3.19, 4.3.20, 4.3.21, 4.3.22, 4.3.23, 4.3.24, 4.3.25, 4.3.26, 4.3.27, 4.3.28, 4.3.29, 4.3.30, 4.3.31, 4.3.32, 4.3.33, 4.3.34, 4.3.35, 5.4.1, 5.4.2, 5.4.3, 5.4.4, 5.4.5, 5.4.6, 5.4.7, 5.4.8, 5.4.9, 5.4.11, 5.4.12, 5.4.13, 5.4.16, 5.4.17.

Effective Date: 08/01/1998 Status: Effective

FERC Docket: RP98-273-000

Sheet Nos. 175-202 Sheet Nos. 175-202 : Superseded

SHEET NOS. 175 THROUGH 202
HAVE BEEN "RESERVED FOR FUTURE USE"

Effective Date: 07/01/1993 Status: Effective

FERC Docket: RS92- 18-004

Original Sheet Nos. 203-209 Original Sheet Nos. 203-209 : Superseded

SHEET NOS. 203 THROUGH 209
HAVE BEEN "RESERVED FOR FUTURE USE".

Effective Date: 07/01/1993 Status: Effective
FERC Docket: RS92- 18-004

Original Sheet No. 210 Original Sheet No. 210 : Superseded

FORM OF SERVICE AGREEMENT
FOR RATE SCHEDULE VTS

THIS AGREEMENT, made and entered into this _____ day of _____, 19____, by and between KENTUCKY WEST VIRGINIA GAS COMPANY, a West Virginia corporation (hereinafter called "Pipeline"), and _____ (hereinafter called "Customer", whether one or more);

WITNESSETH:

WHEREAS, Pipeline is willing to provide and Customer is willing to purchase transportation (and gathering, if applicable) service subject to the terms and conditions contained in Pipeline's FERC Gas Tariff and as hereinafter set forth.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements herein contained, the parties do covenant and agree as follows:

ARTICLE I. SCOPE OF AGREEMENT

Subject to the terms, conditions and limitations hereof and of Pipeline's Rate Schedule VTS, Pipeline agrees to receive at the points of receipt specified herein from or for the account of Customer for volumetric firm transportation of natural gas within the following quantity:

Maximum Annual Quantity - _____ dth

Maximum Daily Quantity - _____ dth

Gathering Quantity - _____ dth

Pipeline agrees to deliver to or for the account of Customer and Customer agrees to acceptance of delivery of an equivalent quantity less retainage, on a heating value basis, at the points of delivery specified herein. Pipeline shall have the right to issue an operational flow order directly to any supplier, operator, transporter or owner of Customer's gas. *(By executing this Service Agreement, Customer is agreeing to designate Pipeline as its agent under Section 16.2 of Pipeline's Tariff to act as necessary under any operational flow order.) *(to be added only if Customer desires Pipeline to act as its agent)

ARTICLE II. TERM OF AGREEMENT

The Term of this Agreement shall commence on _____ and shall continue in effect until _____ and shall continue thereafter until terminated either by Pipeline or by Customer upon twelve (12) months' prior written notice to the other specifying a termination date at the end of such period or any yearly period thereafter.

Effective Date: 08/01/1996 Status: Effective
FERC Docket: RP96-288-000

First Revised Sheet No. 211 First Revised Sheet No. 211 : Superseded
Superseding: Original Sheet No. 211
FOR RATE SCHEDULE VTS (Continued)

ARTICLE III. RATE SCHEDULE

Customer shall pay Pipeline for all service, including gathering service if applicable, rendered hereunder at the _____ rate specified under Pipeline's Rate Schedule VTS in the Currently Effective Rates, Sheet Nos. 4 and 5 of Pipeline's Tariff as filed with the Federal Energy Regulatory Commission, and as same may hereafter be legally amended or superseded. Pipeline shall have the right from time to time, by the filing of a revised rate schedule to increase or decrease rates, to change the form of the applicable rate schedule and to take such other further action with respect thereto without further consent by Customer, and such changes in rates and other changes shall become the Rate Schedule and Terms and Conditions under which the gas shall be transported hereunder. Customer shall have the right to oppose any of the foregoing and to request reduction in rates to the extent that Customer is legally permitted to do so under the Natural Gas Act. This Agreement in all respects shall be and remain subject to the applicable provisions of said Rate Schedule(s) and of the General Terms and Conditions of Pipeline on file with the Federal Energy Regulatory Commission, all of which are by this reference made a part hereof.

ARTICLE IV. POINTS OF RECEIPT AND DELIVERY

Natural gas to be received by Pipeline from or for the account of Customer for gathering and/or transportation hereunder shall be received at the inlet side of the measuring station(s) at or near the following designated points of receipt and natural gas to be delivered by Pipeline to or for the account of Customer hereunder shall be delivered at the outlet side of the measuring station(s) at or near the following designated points of delivery, with the maximum daily receipt and delivery obligations and delivery pressure indicated for each of such points of receipt and points of delivery:

Points of Receipt	Pipeline's Maximum Daily Receipt Obligation (dth)	Customer's Delivery Pressure
		Sufficient to enter Pipeline's system, but not in excess of Pipeline's maximum allowable operating pressure of _____ psig.
Points of Delivery	Pipeline's Maximum Daily Delivery Obligation (dth)	Pipeline's Delivery Pressure
		Such pressure as may exist on Pipeline's system, but not in excess of Pipeline's maximum allowable operating pressure of _____ psig.

Effective Date: 07/01/1993 Status: Effective

FERC Docket: RS92- 18-004

Original Sheet No. 212 Original Sheet No. 212 : Superseded

FORM OF SERVICE AGREEMENT
FOR RATE SCHEDULE VTS (Continued)

ARTICLE V. NOTICES

Notices to either party shall be sent by United States mail or Western Union telegram addressed as follows:

- (a) Kentucky West Virginia Gas Company
3500 Park Lane
Pittsburgh, PA 15275
Attn: Transportation Dept.

(b)

Either party may change its address under this Article by written notice to the other party.

ARTICLE VI. CANCELLATION OF PRIOR CONTRACTS

This Agreement supersedes and cancels, as of the effective date of this Agreement, the contract(s) between the parties hereto for the sale and delivery of gas by Pipeline to Customer, as described below:

ARTICLE VII. CONTROLLING LAW

The interpretation and performance of any service agreement under this Rate Schedule shall be in accordance with the laws of the Commonwealth of Kentucky, without recourse to the principles of conflict of laws.

ARTICLE VIII. SUCCESSORS AND ASSIGNS

Either Pipeline or Customer may assign or otherwise transfer its interest in this Agreement to its corporate parent, affiliate, or subsidiary or to any person or corporation which shall succeed by purchase, merger, consolidation or otherwise, to the properties of Customer or Pipeline substantially as an entirety. Otherwise, neither party may assign this Agreement nor any of its obligations hereunder unless it shall first have obtained the consent thereto in writing of the other party.

Effective Date: 07/01/1993 Status: Effective
FERC Docket: RS92- 18-004

Original Sheet No. 213 Original Sheet No. 213 : Superseded

FORM OF SERVICE AGREEMENT
FOR RATE SCHEDULE VTS (Continued)

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their respective Presidents or Vice Presidents thereunto duly authorized and their respective corporate seals to be hereto affixed and attested by their respective Secretaries or Assistant Secretaries, the day and year first above written.

ATTEST: KENTUCKY WEST VIRGINIA GAS COMPANY

_____ By _____

ATTEST:

_____ By _____

Effective Date: 07/01/1993 Status: Effective

FERC Docket: RS92- 18-004

Original Sheet Nos. 214-219 Original Sheet Nos. 214-219 : Superseded

SHEET NOS. 214 THROUGH 219
HAVE BEEN "RESERVED FOR FUTURE USE".

Effective Date: 07/01/1993 Status: Effective
FERC Docket: RS92- 18-004

Original Sheet No. 220 Original Sheet No. 220 : Superseded

FORM OF SERVICE AGREEMENT
FOR FTS RATE SCHEDULE

This Agreement, made and entered into this _____ day of _____, 19_____, by and between KENTUCKY WEST VIRGINIA GAS COMPANY, a West Virginia corporation, (hereinafter referred to as "Pipeline") and _____, (hereinafter referred to as "Customer", whether one or more),

WITNESSETH:

WHEREAS, Pipeline is willing to provide and Customer is willing to purchase transportation (and gathering, if applicable) service subject to the terms and conditions contained in Pipeline's FERC Gas Tariff and as hereinafter set forth.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements herein contained, the parties do covenant and agree as follows:

ARTICLE I. SCOPE OF AGREEMENT

Subject to the terms, conditions and limitations hereof and of Pipeline's Rate Schedule FTS, Pipeline agrees to receive at the points of receipt specified herein from or for the account of Customer for transportation and/or gathering of natural gas within the following quantity:

Maximum Daily Contract Quantity ("MDCQ") _____ dth.
Gathering Quantity _____ dth.

Pipeline agrees to delivery to or for the account of Customer and Customer agrees to accept or cause acceptance of delivery of an equivalent quantity less retainage, on a heating value basis, at the points of delivery specified herein. Pipeline shall have the right to issue an operational flow order directly to any supplier, operator, transporter or owner of Customer's gas. *(By executing this Service Agreement, Customer is agreeing to designate Pipeline as its agent under Section 16.2 of Pipeline's Tariff to act as necessary under any operational flow order.) *(to be added only if Customer desires Pipeline to act as its agent)

ARTICLE II. TERM OF AGREEMENT

This Agreement shall become effective on _____, and shall continue in full force and effect until _____ and from year to year thereafter unless and until terminated by either Pipeline or Customer upon twelve (12) months prior written notice to the other specifying a termination date on _____, or at the end of any yearly period thereafter.

Effective Date: 08/01/1996 Status: Effective
FERC Docket: RP96-288-000

First Revised Sheet No. 221 First Revised Sheet No. 221 : Superseded
Superseding: Original Sheet No. 221

FORM OF SERVICE AGREEMENT
FOR FTS RATE SCHEDULE (Continued)

ARTICLE III. RATE SCHEDULE

Customer shall pay Pipeline for all service, including gathering service if applicable, rendered hereunder at the _____ rate specified under Pipeline's Rate Schedule FTS in the Currently Effective Rates, Sheet Nos. 4 and 5 of Pipeline's Tariff as filed with the FERC and as the same may be hereafter revised, changed or discounted.

Pipeline shall have the right from time to time, by the filing of a revised rate schedule, to increase or decrease rates, to change the form of the applicable rate schedule and to take such other further action with respect thereto without further consent by Customer and such changes in rates and other changes shall become the Rate Schedule and Terms and Conditions under which the gas shall be transported hereunder. Customer shall have the right to oppose any of the foregoing and to request reduction in rates to the extent that Customer is legally permitted to do so under the Natural Gas Act.

This Agreement in all respects shall be and remain subject to the applicable provisions of the said rate schedule and of the General Terms and Conditions of Pipeline's Tariff on file with the FERC, all of which are by this reference made a part hereof.

ARTICLE IV. POINTS OF RECEIPT AND DELIVERY

Natural gas to be received by Pipeline from or for the account of Customer for transportation and/or gathering hereunder shall be received at the inlet side of the measuring station(s) at or near the following designated points of receipt and natural gas to be delivered by Pipeline to or for the account of Customer hereunder shall be delivered at the outlet side of the measuring station(s) at or near the following designated points of delivery, with the maximum daily receipt and delivery obligations and delivery pressure indicated for each of such points of receipt and points of delivery:

Points of Receipt	Pipeline's Maximum Daily Receipt Obligation (dth)	Customer's Delivery Pressure Sufficient to enter Pipeline's system, but not in excess of Pipeline's maximum allowable operating pressure of _____ psig.
Points of Delivery	Pipeline's Maximum Daily Delivery Obligation (dth)	Pipeline's Delivery Pressure Such pressure as may exist on Pipeline's system, but not in excess of Pipeline's maximum allowable operating pressure of _____ psig.

Effective Date: 07/01/1993 Status: Effective

FERC Docket: RS92- 18-004

Original Sheet No. 222 Original Sheet No. 222 : Superseded

FORM OF SERVICE AGREEMENT
FOR FTS RATE SCHEDULE (Continued)

ARTICLE V. NOTICES

Notices to either party shall be sent by United States mail or Western Union telegram addressed as follows:

- (a) Kentucky West Virginia Gas Company
3500 Park Lane
Pittsburgh, PA 15275
Attn: Transportation Dept.
- (b)

Either party may change its address under this Article by written notice to the other party.

ARTICLE VI. CONTROLLING LAW

The interpretation and performance of any service agreement under this rate schedule shall be in accordance with the laws of the Commonwealth of Kentucky, without recourse to the principles of conflict of laws.

ARTICLE VII. SUCCESSORS AND ASSIGNS

Either Pipeline or Customer may assign or otherwise transfer its interest in this Agreement to its corporate parent, affiliate, or subsidiary or to any person or corporation which shall succeed by purchase, merger, consolidation or otherwise, to the properties of Customer or Pipeline substantially as an entirety. Otherwise, neither party may assign this Agreement nor any of its obligations hereunder unless it shall first have obtained the consent thereto of the other party.

ARTICLE VIII. CANCELLATION OF PRIOR CONTRACTS

This Agreement supersedes and cancels, as of the effective date of this Agreement, prior contract(s) between the parties hereto for the transportation of the gas that is the subject of this Agreement.

Effective Date: 07/01/1993 Status: Effective

FERC Docket: RS92- 18-004

Original Sheet No. 223 Original Sheet No. 223 : Superseded

FORM OF SERVICE AGREEMENT
FOR FTS RATE SCHEDULE (Continued)

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their respective Presidents or Vice Presidents thereto duly authorized and their respective corporate seals to be hereto affixed and attested by their respective Secretaries or Assistant Secretaries, the day and year first above written.

ATTEST:

KENTUCKY WEST VIRGINIA GAS COMPANY

By _____

ATTEST:

By _____

Effective Date: 07/01/1993 Status: Effective

FERC Docket: RS92- 18-004

Original Sheet Nos. 224-229 Original Sheet Nos. 224-229 : Superseded

SHEET NOS. 224 THROUGH 229
HAVE BEEN "RESERVED FOR FUTURE USE".

Effective Date: 07/01/1993 Status: Effective
FERC Docket: RS92- 18-004

Original Sheet No. 230 Original Sheet No. 230 : Superseded

FORM OF SERVICE AGREEMENT
FOR ITS RATE SCHEDULE

This Agreement, made and entered into this _____ day of _____, 19_____, by and between KENTUCKY WEST VIRGINIA GAS COMPANY, a West Virginia corporation, (hereinafter referred to as "Pipeline"), and _____, (hereinafter referred to as "Customer", whether one or more),

WITNESSETH:

WHEREAS, Pipeline is willing to provide and Customer is willing to purchase transportation (and gathering, if applicable) service subject to the terms and conditions contained in Pipeline's FERC Gas Tariff and as hereinafter set forth.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements herein contained, the parties do covenant and agree as follows:

ARTICLE I. SCOPE OF AGREEMENT

Subject to the terms, conditions and limitations hereof and of Pipeline's Rate Schedule ITS, Pipeline agrees to receive at the points of receipt specified herein from or for the account of Customer for transportation and/or gathering of natural gas within the following quantity:

Maximum Daily Contract Quantity ("MDCQ") _____ dth.
Gathering Quantity _____ dth.

Pipeline agrees to deliver to or for the account of Customer and Customer agrees to accept or cause acceptance of delivery of an equivalent quantity less retainage, on a heating value basis, at the points of delivery specified herein. Pipeline shall have the right to issue an operational flow order directly to any supplier, operator, transporter or owner of Customer's gas. *(By executing this Service Agreement, Customer is agreeing to designate Pipeline as its agent under Section 16.2 of Pipeline's Tariff to act as necessary under any operational flow order.) *(to be added only if Customer desires Pipeline to act as its agent)

ARTICLE II. TERM OF AGREEMENT

This Agreement shall become effective on _____, and shall continue on a month-to-month basis until terminated by either party upon written notice; provided, however, this agreement shall automatically terminate upon the date Pipeline abandons any pipeline mainline facility necessary to the transportation service rendered hereunder.

Effective Date: 08/01/1996 Status: Effective
FERC Docket: RP96-288-000

First Revised Sheet No. 231 First Revised Sheet No. 231 : Superseded
Superseding: Original Sheet No. 231

FORM OF SERVICE AGREEMENT
FOR ITS RATE SCHEDULE (Continued)

ARTICLE III. RATE SCHEDULE

Customer shall pay Pipeline for all service, including gathering service if applicable, rendered hereunder at the _____ rate specified under Pipeline's Rate Schedule ITS in the Currently Effective Rates, Sheet Nos. 4 and 5 of Pipeline's Tariff as filed with the FERC and as the same may be hereafter revised, changed or discounted.

Pipeline shall have the right from time to time, by the filing of a revised rate schedule, to increase or decrease rates, to change the form of the applicable rate schedule and to take such other further action with respect thereto without further consent by Customer, and such changes in rates and other changes shall become the Rate Schedule and Terms and Conditions under which the gas shall be transported hereunder. Customer shall have the right to oppose any of the foregoing and to request reduction in rates to the extent that Customer is legally permitted to do so under the Natural Gas Act.

This Agreement in all respects shall be and remain subject to the applicable provisions of the said rate schedule and of the General Terms and Conditions of Pipeline's Tariff on file with the FERC, all of which are by this reference made a part hereof.

ARTICLE IV. POINTS OF RECEIPT AND DELIVERY

Natural gas to be received by Pipeline from or for the account of Customer for transportation and/or gathering hereunder shall be received at the inlet side of the measuring station(s) at or near the following designated points of receipt and natural gas to be delivered by Pipeline to or for the account of Customer hereunder shall be delivered at the outlet side of the measuring station(s) at or near the following designated points of delivery, with the maximum daily receipt and delivery obligations and delivery pressure indicated for each of such points of receipt and points of delivery.

Points of Receipt	Pipeline's Maximum Daily Receipt Obligation (dth)	Customer's Delivery Pressure Sufficient to enter Pipeline's system, but not in excess of Pipeline's maximum allowable operating pressure of _____ psig.
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Points of Delivery	Pipeline's Maximum Daily Delivery Obligation (dth)	Pipeline's Delivery Pressure Such pressure as may exist on Pipeline's system, but not in excess of Customer's maximum allowable operating pressure of _____ psig.
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Effective Date: 07/01/1993 Status: Effective

FERC Docket: RS92- 18-004

Original Sheet No. 232 Original Sheet No. 232 : Superseded

FORM OF SERVICE AGREEMENT
FOR ITS RATE SCHEDULE (Continued)

ARTICLE V. NOTICES

Notices to either party shall be sent by United States mail or Western Union telegram addressed as follows:

- (a) Kentucky West Virginia Gas Company
3500 Park Lane
Pittsburgh, PA 15275
Attn: Transportation Dept.
- (b)

Either party may change its address under this Article by written notice to the other party.

ARTICLE VI. CONTROLLING LAW

The interpretation and performance of any service agreement under this rate schedule shall be in accordance with the laws of the Commonwealth of Kentucky, without recourse to the principles of conflict of laws.

ARTICLE VII. CANCELLATION OF PRIOR CONTRACTS

This Agreement supersedes and cancels, as of the effective date of this Agreement, prior contract(s) between the parties hereto for the transportation of the gas that is the subject of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their respective Presidents or Vice Presidents thereto duly authorized and their respective corporate seals to be hereto affixed and attested by their respective Secretaries or Assistant Secretaries the day and year first above written.

ATTEST: KENTUCKY WEST VIRGINIA GAS COMPANY

_____ By _____

ATTEST:

_____ By _____

Effective Date: 07/01/1993 Status: Effective

FERC Docket: RS92- 18-004

Original Sheet Nos. 233-259 Original Sheet Nos. 233-259 : Superseded

SHEET NOS. 233 THROUGH 259
HAVE BEEN "RESERVED FOR FUTURE USE".

Effective Date: 07/01/1993 Status: Effective

FERC Docket: RS92- 18-004

Original Sheet No. 260 Original Sheet No. 260 : Superseded

FORM OF SERVICE AGREEMENT
FOR SSS RATE SCHEDULE

This Agreement, made and entered into this _____ day of _____, 19_____, by and between KENTUCKY WEST VIRGINIA GAS COMPANY, a West Virginia corporation, (hereinafter referred to as "Pipeline"), and _____, (hereinafter referred to as "Customer", whether one or more),

WITNESSETH:

WHEREAS, Pipeline is willing to provide gas to Customer at the wellhead for the limited term of one year from the effective date of this tariff sheet, and Customer is interested in purchasing gas for that limited term subject to the terms and conditions contained in Pipeline's FERC Gas Tariff.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements herein contained, the parties do covenant and agree as follows:

ARTICLE I. SCOPE OF AGREEMENT

Pipeline agrees to sell to Customer and Customer agrees to purchase from Pipeline for the term specified above the following quantities of natural gas:

Maximum Annual Quantity - _____ dth

Maximum Daily Quantity - _____ dth

ARTICLE II. TERM OF AGREEMENT

The Term of this Agreement shall commence on _____, and shall continue in effect until _____, for a period not to exceed twelve months from the effective date of this tariff sheet. Customer must arrange for delivery of purchases under any of Pipeline's gathering or transportation Rate Schedules.

ARTICLE III. RATE SCHEDULE

Customer shall pay Pipeline, for all services rendered hereunder in the period stated, prices established under Pipeline's Rate Schedule SSS as filed with the Federal Energy Regulatory Commission, and as same may hereafter be legally amended or superseded.

Effective Date: 07/01/1993 Status: Effective

FERC Docket: RS92- 18-004

Original Sheet No. 261 Original Sheet No. 261 : Superseded

FORM OF SERVICE AGREEMENT
FOR SSS RATE SCHEDULE (Continued)

Pipeline shall have the right from time to time, by the filing of a revised rate schedule, to increase or decrease rates, to change the form of the applicable rate schedule and to take such other further action with respect thereto without further consent by Customer, and such changes in rates and other changes shall become the Rate Schedule and Terms and Conditions under which the gas shall be transported hereunder. Customer shall have the right to oppose any of the foregoing and to request reduction in rates to the extent that Customer is legally permitted to do so under the Natural Gas Act.

This Agreement in all respects shall be and remain subject to the applicable provisions of said Rate Schedule(s) and of the General Terms and Conditions of Seller on file with the Federal Energy Regulatory Commission, all of which are by this reference made a part hereof.

ARTICLE IV. POINTS OF DELIVERY

ARTICLE V. DELIVERY PRESSURE

ARTICLE VI. ADDRESSES

Except as herein otherwise provided, any notice, request, demand, statement, bill or payment provided for in this agreement, or any notice which any party may desire to give to the other, shall be in writing and shall be considered as fully delivered when mailed by registered mail to the Post Office Address of the parties hereto, as the case may be, as follows:

or such other address as either party shall designate by formal written notice. Routine communications, including monthly statements and payments, shall be considered as duly delivered when mailed by either registered or ordinary mail.

Effective Date: 07/01/1993 Status: Effective

FERC Docket: RS92- 18-004

Original Sheet No. 262 Original Sheet No. 262 : Superseded

FORM OF SERVICE AGREEMENT
FOR SSS RATE SCHEDULE (Continued)

ARTICLE VII. CANCELLATION OF PRIOR CONTRACTS

This Agreement supersedes and cancels, as of the effective date of this Agreement, the contract(s) between the parties hereto for the sale of gas by Pipeline to Customer, as described below:

ARTICLE VIII. SUCCESSORS AND ASSIGNS

Either Pipeline or Customer may assign or otherwise transfer its interest in this Agreement to its corporate parent, affiliate, or subsidiary or to any person or corporation which shall succeed by purchase merger, consolidation or otherwise to the properties of Customer or Pipeline substantially as an entirety. Otherwise, neither party may assign this Agreement nor any of its obligations hereunder unless it shall first have obtained the consent thereto in writing of the other party.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their respective Presidents or Vice Presidents thereunto duly authorized and their respective corporate seals to be hereto affixed and attested by their respective Secretaries or Assistant Secretaries, the day and year first above written.

ATTEST: KENTUCKY WEST VIRGINIA GAS COMPANY

_____ By _____

ATTEST:

_____ By _____

Effective Date: 07/01/1993 Status: Effective

FERC Docket: RS92- 18-004

Original Sheet Nos. 263-269 Original Sheet Nos. 263-269 : Superseded

SHEET NOS. 263 THROUGH 269
HAVE BEEN "RESERVED FOR FUTURE USE".

Effective Date: 07/01/1993 Status: Effective

FERC Docket: RS92- 18-004

Original Sheet No. 270 Original Sheet No. 270 : Superseded

(Reserved for future use.)

Effective Date: 07/01/1993 Status: Effective

FERC Docket: RS92- 18-004

Original Sheet No. 271 Original Sheet No. 271 : Superseded

(Reserved for future use.)

Effective Date: 07/01/1993 Status: Effective

FERC Docket: RS92- 18-004

Original Sheet No. 272 Original Sheet No. 272 : Superseded

(Reserved for future use.)

Effective Date: 07/01/1993 Status: Effective

FERC Docket: RS92- 18-004

Original Sheet Nos. 273-279 Original Sheet Nos. 273-279 : Superseded

SHEET NOS. 273 THROUGH 279
HAVE BEEN "RESERVED FOR FUTURE USE".

Effective Date: 07/01/1993 Status: Effective
FERC Docket: RS92- 18-004

Original Sheet No. 280 Original Sheet No. 280 : Superseded

FORM OF SALES SERVICE AGREEMENT
APPLICABLE TO MARKETING DIVISION SALES SERVICE
UNDER RATE SCHEDULE MDS

THIS AGREEMENT, made and entered into this _____ day of _____, 19_____, by and between _____ (hereinafter referred to as "Customer"), and Kentucky West Virginia Gas Company (hereinafter referred to as "Pipeline").

WHEREAS, Customer wishes to purchase natural gas from Pipeline;

WHEREAS, Pipeline has a supply of natural gas sufficient to sell to Customer the quantity it wishes to purchase; and

WHEREAS, Customer agrees to arrange its own transportation or gathering on Pipeline's system from the point of sale to the point of delivery.

NOW, THEREFORE, in consideration of the representations, covenants and conditions herein contained, the Pipeline and Customer agree as follows:

To Be Negotiated.

IN WITNESS WHEREOF, the parties have executed this Sales Service Agreement as of date indicated above.

ATTEST: KENTUCKY WEST VIRGINIA GAS COMPANY

_____ By _____

ATTEST:

_____ By _____

Effective Date: 07/01/1993 Status: Effective

FERC Docket: RS92- 18-004

Original Sheet Nos. 281-299 Original Sheet Nos. 281-299 : Superseded

SHEET NOS. 281 THROUGH 299
HAVE BEEN "RESERVED FOR FUTURE USE".

Effective Date: 07/01/1993 Status: Effective

FERC Docket: RS92- 18-004

Original Sheet No. 301 Original Sheet No. 301 : Superseded

Service Request Form (Continued)

(d) Contact Person for Request: _____

Mailing Address: _____

Street Address: _____

Phone: _____

Telecopy No.: _____

24-hour contact person for purposes of dispatching gas to and from receipt and delivery points: _____

Phone: _____

Telecopy No.: _____

1. Is this person an employee of Customer? Yes No

2. If no, state relationship to Customer _____

Agreement information:

Notices to: _____

Invoice to: _____

(address) _____

(address) _____

Attn: _____

Attn: _____

Effective Date: 07/01/1993 Status: Effective
FERC Docket: RS92- 18-004

Original Sheet No. 302 Original Sheet No. 302 : Superseded

Service Request Form (Continued)

- (e) Name and full title of officer (or general partner) of Customer who will execute service agreement with Pipeline: _____

- (f) Maximum Daily Contract Quantity to be delivered by Pipeline (state in dth and Mcf):
- Maximum estimated total quantity to be gathered and/or transported during term of service (state in dth and Mcf):
- (g) Points of Receipt (see attachment)
- (h) Points of Delivery (see attachment)
- (i) (1) Date Service is requested to commence: _____
(2) Date Service is requested to terminate: _____
- (j) If Customer is requesting service under the FTS Rate Schedule, this Service Request Form must be accompanied by a prepayment, not to exceed \$10,000, of the total Reservation Charge provided in Rate Schedule FTS contained in Pipeline's FERC Gas Tariff.
- (k) Customer must execute and submit the attached Customer's certification.

III

At the time of execution of the Service Agreement, Customer shall inform Pipeline of the state in which the ultimate consumer of the gas is located. If Equitable Resources Energy Company (EREC) is a supplier of gas to Customer, Customer agrees to cause EREC to inform Pipeline in the event EREC incurs a loss on the sale to Customer and the amount of such loss.

Effective Date: 07/01/1993 Status: Effective

FERC Docket: RS92- 18-004

Original Sheet No. 303 Original Sheet No. 303 : Superseded

Service Request Form (Continued)

All requests for transportation should be mailed to:

Kentucky West Virginia Gas Company
Attn: Transportation Dept.
RE: SELF-IMPLEMENTING SERVICE REQUEST FORM
3500 Park Lane
Pittsburgh, PA 15275

This form is provided for the convenience of Customer in complying with the service request procedures of Rate Schedules FTS and ITS. Nevertheless, it is Customer's responsibility to provide all of the information necessary to satisfy Pipeline's Tariff.

(Customer)

Date: _____

Effective Date: 07/01/1993 Status: Effective

FERC Docket: RS92- 18-004

Original Sheet No. 304 Original Sheet No. 304 : Superseded

Service Request Form (continued)

Internal Use Only

1. Date and Time Request received _____
2. Sufficient Data (Y/N) _____
If no, date letter sent: _____
3. Agreement Date: _____
4. Agreement No.: _____
5. Nature, if any, of Customer's affiliation with Kentucky West Virginia Gas
Company _____

Effective Date: 07/01/1993 Status: Effective

FERC Docket: RS92- 18-004

Original Sheet No. 305 Original Sheet No. 305 : Superseded

Service Request Form (continued)

(i) Points of Receipt

Take-or-Pay Receipt Point (Yes/No)	Location of the Gas Production	Maximum Daily Receipt Obligation (dth & MCF)	Total for Term of Contract (dth & MCF)	Name of Pipeline, Gathering or Other Entity Delivering Gas into Pipeline's System	Is Supplier an affiliate of Pipeline?	Estimated Entry Pressure (psig)	Relief
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Percentage of gas for which service is requested for which Pipeline will receive take-or-pay relief.
_____ %

Effective Date: 07/01/1993 Status: Effective

FERC Docket: RS92- 18-004

Original Sheet No. 306 Original Sheet No. 306 : Superseded

Service Request Form (Continued)

(j) Points of Delivery

Delivery Point	Maximum Daily Delivery Obligation (dth & MCF)	Total for Term of Contract (dth & MCF)	Name of Party Receiving Gas
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Effective Date: 07/01/1993 Status: Effective

FERC Docket: RS92- 18-004

Original Sheet No. 307 Original Sheet No. 307 : Superseded

Service Request (continued)

Customer's Certification

_____ ("Customer") hereby certifies that:

- (1) Customer has title to, or a current contractual right to acquire such title to, the gas to be gathered and/or transported by Pipeline.
- (2) Prior to the commencement of service, Customer has or will enter into all necessary third party transportation agreements to transport the gas to the party ultimately receiving the gas.
- (3) Customer has a sales contract or will enter into such sales contract with the party ultimately receiving the gas prior to the commencement of service.

By: _____
Title: _____
Date: _____

Effective Date: 07/01/1993 Status: Effective

FERC Docket: RS92- 18-004

Original Sheet Nos. 308-319 Original Sheet Nos. 308-319 : Superseded

SHEET NOS. 308 THROUGH 319
HAVE BEEN "RESERVED FOR FUTURE USE".

Effective Date: 07/01/1998 Status: Effective
 FERC Docket: GT98- 76-000

Fourth Revised Sheet No. 320 Fourth Revised Sheet No. 320 : Superseded
 Superseding: Thrid Revised Sheet No. 320

INDEX OF FIRM CUSTOMERS
 Identification
 of Service Agreement

Name of Customer	Rate Schedule	Effective Date	Expiration Date	Maximum Daily Contract Demand (Dth)
Equitable Resources Energy Co.	FTS	5/01/98	4/30/99*	72,270
City of Paintsville, Kentucky	VTS	7/01/93	6/30/94*	5,195
City of Prestonsburg, Kentucky	VTS	7/1/93	6/30/94*	3,560
City of Prestonsburg, Kentucky (Emma)	VTS	7/1/93	6/30/94*	296
East Kentucky Utilities, Inc.				
Allen	VTS	7/1/93	6/30/94*	873
Garrett	VTS	7/1/93	6/30/94*	458
Right Fork of Middle Creek	VTS	7/1/93	6/30/94*	64
Johnson County Gas Company, Inc.	VTS	7/1/93	6/30/94*	340
Mountain Utilities, Inc.	VTS	7/1/93	6/30/94*	923
Mike Little Gas Company, Inc.				
Langley	VTS	7/1/93	6/30/94*	209
Burton	VTS	7/1/93	6/30/94*	949

*Evergreen Clause

Effective Date: 08/01/1996 Status: Effective
FERC Docket: RP96-288-000

First Revised Sheet No. 321 First Revised Sheet No. 321 : Superseded
Superseding: Original Sheet No. 321

INDEX OF FIRM CUSTOMERS
(Continued)

Name of Customer	Rate Schedule	Identification of Service Agreement		Maximum Daily Contract Demand (Dth)
		Effective Date	Expiration Date	
City of Wheelwright Util. Comm.	VTS	7/01/93	6/30/94*	476
City of Hazard, Kentucky	VTS	7/01/93	6/30/94*	4,151
Equitable Gas Company (KY)	VTS	7/01/93	6/30/94*	13,678

*Evergreen Clause

